

Soviet persecution of Jews worsening, Shultz emphasizes

WASHINGTON (AP). — Secretary of State George Shultz said yesterday that Soviet persecution of its Jewish population "seems to be getting worse" and cited an increase in official propaganda that goes so far as to "compare the state of Israel to Nazi Germany."

He accused Moscow of a "cynical manipulation of human lives for political purposes" in its human-rights practices.

Shultz, who along with President Ronald Reagan has recently moderated criticism of Moscow, said Washington will continue to openly criticize Soviet mistreatment of its citizens, especially its abuse of Jews.

"We will not be silent when the Soviets act in a way we consider dangerous or irresponsible, as they often do in the human-rights area," he told the national assembly of the National Conference of Soviet Jewry here.

He said he wished he could use the occasion of his receiving the groups' Humanitarian Award to say the condition of Soviet Jews had improved. But, instead, he said "Soviet persecution of Jews and other minorities has not only diminished, it seems to be getting worse."

Shultz cited the following examples:

- Four well-known Hebrew teachers have been arrested in the past two months in what appears to be an intensifying campaign of repression aimed specifically at Jewish cultural activities.
- The imprisonment of Anatoly Shcharansky "on the blatantly false charge of spying for the United States."
- Continuing threats by Soviet authorities to threaten many of those Jews who have applied to leave the Soviet Union with confinement in psychiatric hospitals, expulsion from their jobs and internal exile.

In addition, he said, "scurrilous cartoons, broadcasts and articles equate the study of Jewish culture with fanaticism and racism, and compare the state of Israel to Nazi Germany."

Others also are mistreated, Shultz noted, saying that in the past six months three prominent Ukrainian human-rights activists have died in Soviet imprisonment and "all three deaths can be attributed to the brutal conditions in Soviet labour camps and prisons."

Meanwhile, emigration of Jews has come to a virtual standstill, he said. Just over 1,300 Jews left the Soviet Union in 1983, down from a peak of 51,000 in 1979.

Although the Soviets claim that all Soviet Jews who wished to emigrate have already done so, Shultz said, it is known that thousands of Jews have applied for exit visas and been denied. "They are ready to leave on a moment's notice," he said.

(Related stories — page 2)

Moscow ready to consider new U.S. moves in Mideast

MOSCOW (Reuters). — The Soviet Union is prepared to consider positively any new U.S. initiative on the Middle East if it represents a shift from Washington's present approach, a government spokesman said yesterday.

Foreign Ministry spokesman Valery Sukhrieu was answering reporters' questions on the Middle East, where Soviet diplomatic activity has intensified in recent weeks.

He was asked how the Kremlin would react if after next month's U.S. elections a re-elected President Ronald Reagan launched a new drive for peace in the region.

"If there is a constructive, major change in what has until now been a negative approach to a Middle East solution by the United States and Israel... then we will be ready to look positively at what is being put forward," he said.

He added that Moscow was convinced the best solution lay in its proposal for a conference attended by both superpowers, Israel and the Arab parties involved.

The U.S. and Israel have rejected the long-standing Soviet proposal, which has been revived in recent months with a drive by the Kremlin to cultivate moderate Arab states and establish more influence in the region.

Western and Arab diplomats believe Moscow is keen to reap benefits from what it sees as the humiliation of the U.S. in Lebanon and the failure of U.S. regional mediation before the next U.S. president renews his efforts after the elections.

First day of classes delayed at three major universities

Jerusalem Post Reporter

Three of the country's major universities will not open as scheduled on Sunday because the government has not told them how much money they will be permitted to spend in the next academic year.

The Hebrew University, Tel Aviv University and Ben-Gurion University of the Negev have decided to postpone their openings until November 11. They will open earlier only if the Council for Higher Education, which acts as an intermediary between the universities and the government, approves their budgets for the academic year, a Hebrew University official said yesterday.

The Technion has already opened and Bar-Ilan and Haifa Universities are due to decide this week whether they will open on Sunday.

Israeli chefs win gold at kitchen 'olympics'

TEL AVIV (Itim). — An Israeli team of chefs returned triumphant early yesterday from the culinary "olympics" in Frankfurt, Germany.

The 15-member Israeli team returned from the competition, in which teams of chefs from 30 other countries took part, with five gold medals, five trophies and a silver platter.

Chef Avigdor Bruch, chairman of the Israeli Circle of Chefs, said his team scored top points for its meal of chicken in honey and sabra sauce.

Reagan defends Israel's push all the way to Beirut

By WOLF BLITZER

Jerusalem Post Correspondent

WASHINGTON. — President Ronald Reagan defended Israel's invasion of Lebanon and its initial thrust all the way to Beirut during his nationally-televised debate on Sunday night against Democratic challenger Walter Mondale.

With the exception of the situation in Lebanon, the Middle East was not really discussed during the 90-minute exchange. Most of the questions revolved around U.S.-Soviet relations, especially nuclear-arms control, the situation in Central America and other issues. (See story on page 4.)

In the course of defending his policy in Lebanon, Reagan condemned Syria and what he called "the PLO terrorists" ousted by Israel during the summer of 1982.

Mondale, clearly on the offensive and encouraged by his inroads in the public opinion polls since the first debate earlier this month, bitterly attacked Reagan's policies in Lebanon. "We have been humiliated and our opponents made stronger," Mondale declared.

He specifically lashed out against Reagan for threatening to retaliate against the terrorists responsible for the bombings of the U.S. Embassy in Beirut and the Marine headquarters there but not actually doing anything in response. "They called our bluff," Mondale said.

The president, in response, again pledged to retaliate once the U.S. knew with certainty exactly who was responsible. "We are busy trying to find the centres where these operations stem from," Reagan said.

Regarding the initial introduction of U.S. troops into Lebanon, Reagan said they had been sent as a "stabilizing force" in order to avoid what he said would be a sixth war between Israel and Syria. He said the U.S. did not need to apologize for its actions.

He said "Israel could not be blamed" for moving all the way to Beirut in order to remove "the PLO terrorists. Those terrorists had been violating their northern border."

The U.S. moved into Lebanon in order to help remove "13,000 terrorists," he said. The U.S. mission had initially succeeded, and that, in turn, resulted in attacks against the American troops by those "who don't want us to succeed." Among those in this category, Reagan cited Syria in particular. He said Syria did not want to see a strong and independent Lebanon.

Israeli officials and American Jewish leaders were surprised by the lack of questioning on the broader Middle East situation, especially the Arab-Israeli peace process.

Early during the questioning, Reagan was asked to list those "vital interests" of the U.S. around the world — interests which the U.S. would defend with the use of force if necessary. In addition to citing Western Europe, Central America and the Pacific region in the Far East, he also referred to the Middle East, noting its oil resources and their importance to the industrialized West. He did not mention Israel in that regard.



Prime Minister Shimon Peres speaks to the Knesset yesterday. On right is the Speaker, Shlomo Hillel. (Yossi Zamir, Scoop 80)

Gazans charged with planning 'holy war'

Jerusalem Post Staff

GAZA. — The military court here sentenced a local resident to 5½ years in prison yesterday for selling weapons to an Islamic underground charged with plotting to wage "a holy war" on Israel.

Naif Saliman Hassan Gilawi, 29, from the Nuseirat refugee camp, pleaded guilty in a plea-bargaining deal. He had previous convictions for drug-dealing and thefts.

Five other Gazans pleaded not guilty to a charge of "establishing an extremist Islamic religious organization to destroy the State of Israel to replace it by a religious Islamic state." Their trial is to continue tomorrow.

The suspects, rounded up last February and June and indicted in August, pleaded guilty to illegal possession of submachine guns, grenades, rifles and pistols, many of them IDF issue. The weapons were displayed as evidence in the courtroom. They include 20 pistols, 11 M-16 rifles, Kalashnikov rifles, a Galil rifle, 5 Uzi submachine guns, a bazooka, 1 grenade, 1 Karl Gustav submachine gun and ammunition.

Israel Defence Forces spokesman in Gaza Rav-Seren (Maj.) Shraga Kurtz said the suspects are believed to be the nucleus of religious anti-Israel activity in Gaza. PLO terrorists would at least think twice about dying, but not these religious fanatics. They're frightening," Kurtz told the Associated Press.

The charge sheet said the accused received 12,000 dinars (about \$30,000) from Jordanian parliament member Yousef al-Azam to buy the weapons in Israel, while they were visiting Amman.

Ahmad Ismail Hassan Yasin, 48, the spiritual leader of Gaza's Zeitoun suburb, was charged with organizing the alleged Islamic underground in 1983 together with the four other suspects.

Yasin, paralyzed and confined to a wheelchair since childhood, was jailed by Gaza's Egyptian rulers for activity in the militant Islamic Brotherhood before Israel captured the Gaza Strip in 1967, military sources said.

The four other suspects, residents of Gaza's Jebelya refugee camp, range in age from 28 to 39. The dark-bearded men in orange prison uniforms sat quietly during the trial occasionally smiling at relatives who packed the courtroom behind a wooden barricade. Yasin's attorney, Nasser Mawda, told the court his client admitted to obtaining the weapons. But he denied the court had evidence to link the suspects to any organizations.

15 Italians given life terms, 170 others get 1,206 years

MILAN (Reuters). — Italy's biggest trial of leftist guerrillas ended after nearly 11 months yesterday with 15 defendants being jailed for life and more than 170 others getting sentences totalling 1,206 years.

The 206 defendants were tried in a converted prison for actions of the "Prima Linea" (Front Line) so-called urban guerrilla group and the related "revolutionary Communist Committees."

They faced some 800 charges, including nine murders and numerous wounding and robberies, stemming from a six-year terrorist campaign in the Lombardy region of Italy during the 1970s.

Thirteen of those charged were cleared. Some defendants were absent, attending another trial in Turin, while many are already serving sentences passed by other courts.

Those jailed for life included the leader of Prima Linea, Maurice Bignami, found guilty of murdering Paolo Paoletti, production manager of the Imesca chemicals plant near Seveso, which caused Italy's worst pollution disaster after an explosion in 1976.

Paoletti was shot dead outside his home in February 1980.

Bignami and five other defendants were also convicted of shooting dead a suspected informer, William Wachter, in a Milan street two days after the murder of Paoletti.

Oscar Tagliaferri and Maurizio Baldassarri were jailed for life for a triple murder after a brawl in a Milan bar in December 1978. Another defendant, Maurizio Folini, was sentenced to 18 years for arms trafficking with Lebanon.

Prima Linea was formed in Turin in 1976 by terrorists who broke away from the Red Brigades on ideological or tactical grounds.

At least eight dead in Beirut fighting

BEIRUT (AP). — At least eight persons were killed and 14 wounded in the battles that began on Sunday in the refugee camp of Bourj al-Barajneh and continued intermittently past dark last night, the police said.

Camp residents reportedly said the fighting was between Palestinians and the Amal military arm of Lebanon's Shi'ite Moslem community.

All approaches to the camp and surrounding roads, including the main airport highway, were sealed off by Lebanese Army troops who intervened to halt the fighting.

Choice of plans to PM today

By AVI TEMKIN

Post Economic Reporter

The Treasury-Bank of Israel task force preparing the government's overall economic strategies, met until late last night in an effort to complete details on the plans it is to present to Prime Minister Peres this morning.

The panel has developed two alternative plans, one based on a "semi-dollarization" of the economy, the other based on gradual reductions in costs and wages. A package deal with the Histadrut and the manufacturers fixing wages, prices and taxes would be part of both plans.

It has been learned that while some of the economists in the committee favour pegging the economy to the dollar, the political decision-makers are still concerned about possible consequences of such steps.

It has been agreed that in case of semi-dollarization, government operations should be cut, meaning a reduction in the purchase of goods and services, and not a cut in allowances and subsidies to the public.

Peres will be presented today with both alternatives, and then the government will have to decide between them. Some of the Treasury officials said yesterday they were very pessimistic about the chances that the politicians will agree to a cut in the ministries' operations.

Present at yesterday's meeting were Treasury Director-General Emmanuel Sharon, budget division head Aharon Fogel, capital market commissioner Yehuda Drori, Bank of Israel Governor Moshe Mandelbaum, the finance minister's adviser, Ruth Lowenthal, the heads of the research department of the Bank of Israel, Mordechai Frankel and Avi Ben-Bassat, and Professor Zvi Zussman, adviser to the task force.

Speaking to ministerial spokesmen the Government Information Centre earlier in the day, Finance Minister Yitzhak Moda'i said that whatever plan the government chooses will contain no secrets. The public will be informed of every step to be executed, he added.

About the two proposed alternatives (for a package deal, Moda'i said that he prefers the one that does not peg the economy to the dollar, meaning he favours the plan based on a reduction in costs and wages.

Nevertheless, he stresses, the decision on which alternative to choose should be a collective one by several ministers. "The decision is too big for the finance minister alone," he said.

Moda'i added that the public should grant him and the government the traditional 100-day grace period. "Give us at least the remaining time of the period usually granted. During that time it will be shown that the government plan really has a chance of succeeding," he said. (The present government was approved by the Knesset on September 13.)

Moda'i said cuts in the budget will total some \$500 million. He added that the government has no intention of harming the public's savings.

Peres issues call for 'economic patriotism'

By ARYEH RUBINSTEIN

Post Knesset Reporter

Prime Minister Shimon Peres warned the people of Israel yesterday not to underestimate the "tremendous difficulties" that are to be expected in the effort to contain the "runaway inflation."

Delivering an economic-political statement at the opening of the Knesset's winter term, Peres said that Israelis will have to moderate their living standards, give up luxuries, "and once again become a country of people who work."

An almost-full House, President Herzog, and a packed gallery heard the prime minister call on the public to display the "economic patriotism" that would be needed in the transition period.

This patriotism, Peres said, would find expression in restraint in spending, increasing savings, giving preference to domestic goods, paying honest taxes, increasing productivity, and shunning profiteering.

He said that in the bold decisions the government would have to take very soon, it would take pains to ensure that the low-income groups would not be hurt and that the well-to-do would not be coddled.

The prime minister opened his speech by saying that from now on the government would concentrate on two main goals: reining inflation and renewing economic growth. The particular measures required to attain those goals would constitute "not only a burden, but also a hope."

Each of the two goals has its social aspects, Peres said: reducing inflation must not be done at the expense of the workers alone, and renewing economic growth must not ignore the development areas.

Peres said he had been happy to read the resolution adopted by the Histadrut executive Sunday declaring that it is "prepared to make its contribution to an arrangement in the framework of the general contribution in the economy."

Referring to his recent trip to Washington, Peres lauded the Reagan administration for the understanding it had shown for Israel's needs.

He noted the offer of Secretary of State George Shultz to give Israel a 90-day extension on the repayment of previous loans, totalling about \$500 million, which come due before January 1, 90 days being the maximum the administration can give on its own.

Peres said the government has not yet decided whether to accept the offer, because it thinks it will be able to meet the original repayment dates, unless there are unanticipated developments.

The prime minister closed the economic part of his speech, which was about two thirds of the total, with the statement that there is no place for defeatism.

"We have done great things in the past, and we shall do even greater things in the future — until we again become one of the most prosperous economies in the world, one of the most productive and just societies of our time."

Peres said that Israel has no intention of remaining on Lebanese soil or of participating in the administration of its affairs.

Syria must decide whether it wants the Israel Defence Forces to remain 25 kilometres from Damascus, he said. Israel's stand is clear: it is out of the question that after the IDF leaves the Syrian conquest will spread westward or southward. And it is out of the question that Syrian-controlled territory should serve as a base for raids into Israel or for terrorist activities, he said.

The Lebanese leaders, Peres said, should ask themselves how they will be able to ensure quiet in southern Lebanon when they have not succeeded in establishing peace in Beirut.

He promised that Israel will do everything to speed the processes (Continued on Page 2, Col. 2)

Cyprus departs two bombing suspects

NICOSIA (AP). — Two Arabs held in custody for 18 days on suspicion they were involved in a bomb attack against the Israeli embassy here earlier this month were deported yesterday, the police said.

The deportation, reportedly to Damascus, was carried out on the advice of the attorney-general's office on the grounds that "there was insufficient incriminating evidence against them to stand trial."

Price-gouging report said to be 'dynamite'

By ROY ISACOWITZ

Jerusalem Post Reporter

TEL AVIV. — Among the statistics cited in recent days by Histadrut Secretary-General Yisrael Kessar to back up the labour federation's position in the economic crisis was that the prices of some 2,300 items have been raised by between 100 and 200 per cent in the past two months while the rate of inflation increased only 40 per cent.

Kessar's statistic was based on price-monitoring by the Histadrut's Consumer Protection Agency. An agency spokesman said yesterday that it had not yet been decided what use to make of the figures, which he described as "dynamite." He added that the specific figures would be released only when the agency had decided on a policy line.

The spokesman said that the agency's figures are detailed and comprehensive, including the dates of the price rises and the percentage increases. Kessar said yesterday that many manufacturers, and not only small concerns, are guilty of price-gouging in anticipation of a price and wage freeze.

Another statistic quoted by Kessar this week concerned the inflationary erosion of workers' wages — which he said amounted to an average 10 per cent a month. That figure is likely to be at the centre of the imminent package-deal negotiations between the Histadrut, the government and the manufacturers on wages, prices and taxes.

The head of the Histadrut's economic-research department denied yesterday that he had been the source of that statistic. He said that he is still compiling the relevant statistics, and cautioned that all figures would necessarily be flexible due to the difficulty of deciding on a basis against which to measure the fluctuations of real wages.

Growers mark return of date

KIBBUTZ KINNERET (Itim). — The country's date growers yesterday celebrated the 50th anniversary of the return of the date palm to Israel at Gan Rabel here, where the palms were planted after being brought from Iraq.

Some 300 date growers from different parts of the country gathered at Gan Rabel, named after the kibbutz's famous poet, Rabel (Blaustein). The growers held discussions on dates, saw an exhibit on the fruit, and held a picnic in the historic grove.

Israel has some 150,000 date palms today, mainly in the northern valleys and the Ein Gedi area in the south. The growers, who now export 1,500 tons of fruit yearly to Europe, hope to double the number of trees.

Israeli packing houses have developed means of preserving the date for years, allowing the packers to regulate shipments and avoid flooding the market.

Histadrut —
General Federation of Labour

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of Workers in the Textile,
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	MIN.	C	F	MAX.
AMSTERDAM	11	12	54	17
BRUSSELS	9	10	50	15
BIRMINGHAM	12	13	55	18
CHICAGO	6	11	52	19
COPENHAGEN	8	11	52	18
FRANKFURT	4	10	50	16
GENEVA	5	11	52	17
HELSINKI	5	10	50	16
HONG KONG	22	24	75	29
JERUSALEM	12	14	57	20
LONDON	12	14	57	20
MADRID	10	12	54	18
MONTREAL	10	12	54	18
NEW YORK	10	12	54	18
OSLO	1	3	27	37
PARIS	9	11	52	18
ROME	10	12	54	18
SANTO DOMINGO	14	17	63	23
STOCKHOLM	8	11	52	18
TOKYO	11	13	55	20
TORONTO	10	12	54	18
VIENNA	10	12	54	18
ZURICH	11	12	54	18

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THE WEATHER

Forecast: Clear, dry inland and in the hill country.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	11	14-23	22
Galilee	8	14-24	23
Nahariya	11	14-24	23
Safed	16	14-21	20
Haifa Port	34	20-28	27
Tiberias	30	16-29	28
Nazareth	21	10-30	30
Afula	17	13-26	25
Shomron	17	13-26	25
Tel Aviv	57	15-26	26
B-C Airport	42	13-27	27
Jericho	22	13-31	31
Gaza	58	16-25	26
Beersheba	16	11-28	28
Eilat	10	18-22	22

SOCIAL & PERSONAL

President Haim Herzog visited the Dagon silo and its Grain and Archeology Museum on Friday. He was received by Dagon chairman Dr. Reuben Hecht.

ARRIVALS

Archbishop Juan Francisco Fresno Larraín, head of the Catholic church in Chile, for a private visit and pilgrimage.

John Vanderveken, secretary-general of the International Confederation of Free Trade Unions, to open the international conference of textile workers at the Dan Hotel in Tel Aviv today.

Peres won't meet S. African minister

Prime Minister Shimon Peres has decided not to meet with South African Foreign Minister Rieffel Botha, who is due in Israel on November 4 on a short private visit on his way to Germany.

The statement by the premier's office yesterday came barely two hours after foreign news service quoted Foreign Ministry officials here as saying Botha would hold informal talks with Israeli officials during his brief stop-over.

The Associated Press quoted Foreign Ministry sources as saying Botha would probably meet with Foreign Minister Yitzhak Shamir.

UK defence secretary meets with Jordanians

AMMAN (AP). - King Hussein yesterday held talks with British Defence Secretary Michael Heseltine on possible arms sales and other military matters.

The king and Heseltine lunched at the palace overlooking Amman. Earlier, Heseltine met at the Jordanian military headquarters with General Sherif Zaid ibn Shaker, commander of the Jordanian armed forces.

Heseltine is to confer with Prime Minister Ahmed Obeidat today before heading to Egypt.

West Bank judge on appointments body

RAMALLAH (Itim). - The president of the appeals court here yesterday became the first local Arab judge to join the Judea and Samaria judicial appointments committee.

Ghalib Haj Mahmoud was appointed to the committee which until now has consisted only of Jewish civilian officials and Israel Defence Forces officers, by the Civil Administration.

The committee appoints judges to magistrates courts, district courts and courts of appeal in Ramallah.

Last month a retired judge was appointed supervisor of the civil court system in Judea and Samaria to try to make it more efficient.

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HOME NEWS

Plight of Soviet Jews emphasized by Hillel

Post Knesset Reporter
Before giving Prime Minister Shimon Peres the floor yesterday, Knesset Speaker Shlomo Hillel said that "extremely disquieting information" has been received in Israel about the plight of Soviet Jewry.

He said the reports speak of the harsh treatment being meted out to the refugees and of the anxiety of Soviet Jewry as to their future.

For this reason, Hillel said, the Knesset Presidium had decided to deviate from the practice of not hearing motions for the agenda during the first week of a Knesset term. Therefore, urgent motions for the agenda on the subject of Soviet Jewry will be heard tomorrow, together with motions on other matters.

Peres, towards the end of his economic-political statement, said that "the fate of Soviet Jewry is, of course, at the centre of our thoughts."

Peres said that "a people's identity must not be crushed by administra-

tive measures. And no regime will succeed in locking up Jewish history behind prison bars."

While Israel is the state of its citizens, it is also the only state of the entire Jewish people. "We shall not rest until the Jews of Russia, Syria, and Ethiopia are redeemed," Peres said.

Rabbi Menahem Hacohen (Alignment-Labour) said in a press communique that it was symptomatic that the only Knesset committee still not functioning is the one on aliyah and absorption.

"At a time when the entire Jewish world is occupied with the problem of Soviet Jewry, we in the Knesset are arguing over who should be chairman of the committee," he said.

Absorption Minister Ya'acov Tzur called on all members to be present tomorrow when the motions on Soviet Jewry are raised. He promised an extensive reply.

[Plea from Leningrad - page 5]

Shcharansky's shift to camp could harm his health—Avital

By HYAM CORNEY
Jerusalem Post Correspondent
LONDON. - The health and safety of Soviet Prisoner of Zion Anatoly Shcharansky is again a matter of concern, according to his wife Avital.

On Saturday, Shcharansky will complete the three years to which he was sentenced in Chistopol Prison and is to be transferred to a labour camp. Avital is worried about the effect that the long journey to an unknown destination and the treatment that he as a Jew is likely to receive from the prison guards will have on his already poor health.

Avital, who arrived here on Sunday from Jerusalem via France and Holland, is hoping to meet Labour Party leader Neil Kinnock, who is going to Moscow shortly, and Prime Minister Margaret Thatcher, whom she has met twice previously. She

wants their help in her efforts to obtain permission to visit her husband in the labour camp.

She revealed that Shcharansky's mother, Ida Milgrom, has just set off from Moscow to Chistopol in an attempt to see that he is released from prison on schedule and to find out where he will be sent. Milgrom is 76, and despite the cold weather has undertaken a journey that begins with a 36-hour train ride. She then has to cross the Volga and find transport for a further two hours' drive.

Avital's fears for her husband are based on reports received from other prisoners who were transferred to labour camps. Some spent weeks in trains that were left abandoned in sidings or at small, isolated stations. Others were cruelly provoked by anti-Semitic guards and other prisoners.

Ata's creditors will meet on textile firm's \$27m. debt

By DAVID RUDGE
Jerusalem Post Reporter
HAIFA. - A creditor's meeting of the ailing Ata textile firm will be held on November 8.

The hearing was set yesterday by Haifa District Court Judge Eliezer Barr, after Ata's board of directors submitted a request for a settlement with the firm's creditors.

The company's representatives told the court that Ata, which has debts totalling \$27 million, is losing money at the rate of IS 15m. a day.

The bulk of the money is owed to Bank Leumi (about IS8 billion), Bank Discount (IS 1b.), the Union Bank (IS 65m.) and the Cotton Marketing Board (IS 550m.)

The company asked to be allowed to pay off these debts after five years from the date of a settlement agreement. The outstanding debts would be linked to the cost-of-living index, but without interest.

Ata also owes about IS 253m. to the income tax and Value Added Tax authorities and the National Insurance Institute. It asked to pay

off these debts one year after a settlement agreement, with the money being linked to the C-o-L index, also without interest.

The company owes about IS 1.5b. to others, including the Israel Electric Corporation. It asked to pay 25 per cent of this debt one year after the date of an agreement, also with the payments linked to the index.

The Haifa Labour Council reacted angrily to the news that Ata's board of directors has submitted a request for a settlement with the firm's creditors.

Council spokesman Moshe Gutter told *The Jerusalem Post* that "there is no doubt that it is the intention of Ata's board of directors and the firm's owners, Eisenberg enterprises, to bring about the closure of the production side of the business."

The labour council secretariat which met earlier yesterday, is demanding that the government appoint a receiver to manage the company's affairs or intervene directly.

PATRIOTISM

(Continued from Page One)
that will end Israel's involvement in Lebanon, after arrangements are made for ensuring peace in Galilee. Israel will seek partners in these processes, but will decide the timetable for itself.

Despite Jordan's negative reaction in the past, Peres said, Israel will continue to propose to Jordan "an honourable political dialogue," with Jordan having the right to raise any proposals it wishes.

Since Mapam, with six MKs, is now the largest opposition faction, it had the right to speak right after the prime minister.

Mapam's Ya'ir Tzaban said that on the eve of the establishment of the unity government, it was

announced that agreement had been reached on economic policy, but after its establishment the public discovered that there was no economic programme.

"And when you were pressed to the wall," Tzaban continued (Finance Minister Yitzhak) "Moda" revealed that you do have an economic programme - the one the Likud government prepared when Cohen-Orad was finance minister - and the prime minister did not deny it."

Simha Dinizit (Alignment-Labour), making his maiden speech, said that Israel's ability to succeed in future struggles for survival depends to a great extent on its ability to strengthen the economy and to reduce its dependence on others.

Suspect arrested in murder of Jerusalem nurse

The Jerusalem police have arrested a local man as a suspect in the murder of Masha Efrati, 62, whose body was found Sunday night in her Beit Hakerem flat.

The police are checking a number of directions, and they yesterday questioned dozens of other suspects, including acquaintances of Efrati, who was a nurse in the municipal dental clinic. (Itim)

Haifa women's group opens cultural centre

HAIFA. - A women's cultural centre offering activities ranging from language courses to self-defence lessons was opened at Rehov Arlosoroff 88 in the city's Hadar Hacarmel neighbourhood on Saturday night by the Women for Women organization.

The centre, which has its own library, will also have a counselling service for women.

It is open Sunday, Tuesday and Thursday nights and Friday mornings. Further information can be obtained by telephone: (04) 531472.



A storm broke out at the Histadrut Executive meeting yesterday when MK Ran Cohen (left), leader of the Sheli faction in the Histadrut called industry and Trade Minister Ariel Sharon a criminal. On right, Likud Histadrut faction leader Ya'acov Shamai shouts at Cohen. (See story page 3)

Knesset bill sees urgent need for second TV channel

By AARON SITTNER
Jerusalem Post Reporter
The need for a second - commercial - state-operated television service is so urgent, according to Knesset Members Michael Reiser and Pinhas Goldstein, that they have tabled a private member's bill calling for its establishment.

The two Likud MKs noted that even in the Ninth and Tenth Knessets laws for an additional TV service had been tabled. But they said nothing had come of them despite the fact that the Education and Culture Committee had recommended prompt establishment of a second TV service even if it had to be done by private investors.

Among other bills tabled yesterday were:

● A ban on "insulting the Jewish religion or the Jewish People, harming Eretz Yisrael or the State of Israel or the practice of racism." The sponsor, Kach MK Meir Kahane, defined the Jewish religion in his proposed law as "each and every verse in the Scriptures, or saying by the Talmudic Sages, or any Halachic ruling." Eretz Yisrael is defined as "territory included in the boundaries mentioned in the Lord's promise to Abraham as recorded in Genesis chapter 15."

Racism is described by Kahane as "all claims that a people, religious faith or race are superior..." Most infractions of the law would cost the violator two years' imprisonment plus a fine.

Jemayel leaves for second visit to Libya

BEIRUT. - President Amin Jemayel left for Libya yesterday to see Muammar Gaddafi after presiding over a special cabinet session on a wide range of political and economic problems.

The visit to Libya is the second by Jemayel since he took office in September 1982.

The palace statement gave no reason for Jemayel's trip. Last week a group of Lebanese opposition leaders headed by Druze chieftain Walid Jumblatt visited Libya. Gaddafi has strongly supported anti-

government Lebanese forces in recent rounds of Lebanon's civil war.

Just before his departure, Jemayel headed an emergency session of Lebanon's national coalition government which was called to arrest a rapid deterioration of the nation's currency.

Prime Minister Rashid Karamah said after the session that the cabinet had decided on a number of measures to shore up the tottering economy and to get security and political reform plans moving again. (Reuters, AP.)

Mubarak telephones Iraqi president

BAGHDAD (AP). - Egyptian President Hosni Mubarak telephoned Iraqi President Saddam Hussein yesterday to inquire about the situation along the Iraq-Iran war front and "congratulate" him on victories reportedly achieved against Iran, state-run Baghdad radio reported.

It said without elaborating that Hussein thanked Mubarak and informed him that the military situation on the Iraqi side of the front was "solid."

Earlier in the day, the official Egyptian Middle East News Agency reported that Hussein and Mubarak in their telephone conversation "reviewed important issues in the region."

Neither the Egyptian agency nor Baghdad Radio made any mention of the ruptured diplomatic relations

between the two countries.

Iraq was among 17 Arab League countries that broke ties with Egypt in 1979 in protest against its peace treaty with Israel.

Jordan was the first of the 17 to restore relations with Egypt on September 25.

The Jordanian decision was conveyed to Egypt in a telephone call by King Hussein to Mubarak on that day.

Mubarak said later they had expected Iraq to follow Jordan's example.

Despite the diplomatic break, Egypt has supplied Iraq with arms and ammunition in its 49-month-old war with Iran. Western diplomatic sources in Cairo estimated the Egyptian military aid to Iraq to be about \$1 billion.

Bulgarian theatre to perform in TA tonight

A delegation of Bulgarian politicians and performers is visiting Israel at the invitation of a public committee set up to mark "the 40th anniversary of Bulgaria's liberation from fascism," the Democratic Front for Peace and Equality spokesman said last night.

The performers, including members of the Bulgarian State Musical Theatre, will give 10 performances in Israel, the main one tonight at 8 p.m. at Obel Shem Hall in Tel Aviv.

the spokesman said.

Bulgaria, which was allied with Nazi Germany in World War II, was invaded by the Soviet Union in September 1944.

ROTARY. - The Jerusalem Rotary Club hopes to sell over 3,000 books for the benefit of its education and scholarship foundation, opposite the Hamashbir Building, corner Ben-Yehuda and King George Streets, from 8 a.m. to 4 p.m. today.

13-year-old girl raped in Jerusalem

Jerusalem police yesterday asked to be contacted by anyone who has seen a man walking around the Beit Hakerem area and asking girls to accompany him.

The call for information from the public came after a 13-year-old girl was raped in the courtyard of a Beit Hakerem school Sunday evening. The girl was on her way home from a class when a man of about 30 asked her to help him find a school in the neighbourhood.

The girl took the man to the gate of the school, where he grabbed her, dragged her into the courtyard and raped her.

When the girl arrived home she was bleeding and in need of medical treatment.

The police are considering the possibility that the man approached several girls in the area in recent days and asked them to accompany him. (Itim)

WOMEN. - An international conference on woman's immunological system opened yesterday at the Hilton Hotel in Tel Aviv.

U.S. and Israeli diplomats discuss Third World projects

Jerusalem Post Reporter
U.S. and Israeli foreign-policy teams met yesterday in Jerusalem to discuss ways to cooperate on Third World development projects and to share evaluations of events in Latin America.

The U.S. team is headed by Undersecretary of State Michael Armacost, and the Israeli team by Foreign Ministry Director-General David Kimche.

The discussions focused on Central America, with a comparison of notes on the recent negotiations undertaken by El Salvador President

Roberto Duarte with his guerrilla opponents.

The U.S. is interested in Israel's helping in agricultural and other development projects in Latin America, and Israel is interested in both the diplomatic and the economic gains that could come from such cooperation.

Armacost also met with Jerusalem Mayor Teddy Kollek yesterday.

Armacost's talks with Kimche also included the Jordanian attitude toward the peace process, the state of Israeli-Egyptian relations and the Iran-Iraq war.

Alignment and Likud resolve dispute over Knesset panels

By AARON SITTNER
Jerusalem Post Reporter
With the Knesset Steering Committee transforming itself into the House Committee yesterday, the Likud and Alignment - represented by Knesset Members Ronnie Milo and Rafael Edri, respectively - reached agreement on the disputed chairmanships of the Economic and Aliya and Absorption Committees.

With Speaker Shlomo Hillel looking on at the handshakes, the Alignment took control of the Economic Committee, and announced that the chairman will be Eliyahu Speiser.

The Likud has not named the chairman of the Aliya and Absorption Committee.

The chairmen of nine committees were formally installed in their posts by the members, and pledged that their committees would function faithfully in carrying out the orders of the plenum.

The first committee to get down to work after the recess was the Interior and Ecology Committee, headed by the Likud's Dov Shilansky. It will tour Jerusalem municipal facilities today and begin discussing the dire financial straits in which almost all local authorities find themselves.

The House Committee yesterday also recognized the six members of Mapam as an independent faction now that Mapam has seceded from the Alignment. MK Yosef Sadeh, who also left the Alignment, was formally acknowledged as belonging to the Citizens Rights Movement, and the Yahad faction, led by Ezer Weizman, was recognized as having joined the Alignment.

Thus, the Alignment now numbers 40 deputies, and the CRM four.

Continental Bank marks tenth anniversary

Post Economic Reporter
TEL AVIV. - A dual celebration was held here last night marking the 10th anniversary of the founding of the Israel Continental Bank and inaugurating the financial institution's new headquarters in Sderot Rothschild.

The bank is a joint venture of Bank Hapoalim and West Germany's Bank fuer Gemeinwirtschaft. Officials of both banks were joined in the reception by government and Histadrut leaders, and by members of the diplomatic and banking communities.

Prime Minister Shimon Peres congratulated the bank, and praised Walter Hesselbach, chairman of the Bank fuer Gemeinwirtschaft holding

company involved in Israel Continental, as "one of Israel's greatest friends in Europe, and a special human being combining the roles of banker, true socialist and true friend of this country."

Hesselbach in turn spoke of the German trade unions' "long history of close relations with the social, democratic and union movements in Israel, of which Bank Continental is one small but significant part."

Among the guests at the reception were Economics and Planning Minister Gad Ya'acobi, Police Minister Haim Bar-Lev, Histadrut Secretary-General Yisrael Kessar, and Bank Hapoalim management chairman Giora Gazit.

Basketball

Maccabi Tel Aviv 111, Hapoel Afula 91
Maccabi Ramat Gan 91, Maccabi Haifa 83
Beitar Tel Aviv 85, Hapoel Kfar Saba 79
Hapoel Upper Galilee 100, Hapoel Gan Shimon 96
Hapoel Be'er Sheva 75, Hapoel Ramat Gan 67
Hapoel Tel Aviv 115, Hapoel Haifa 111

OPEN. - Beit Agnon, the museum in the home of the late writer S.Y. Agnon at 16 Rehov Klausner, Talpott, Jerusalem, has reopened to the public after renovations. Visiting hours are Monday-Friday, 9.30 a.m. to 12.30 p.m., and Sunday and Tuesday afternoons, from 4.30 to 7. Further information at 02-716498.

Prison guards suspected of selling inmates liquor

BEIT SHE'AN (Itim). - Three Sha-ta prison guards observed receiving money from prisoners yesterday were arrested on suspicion of smuggling goods to inmates.

The prison authorities became suspicious of the three a few months ago and together with the police put them under surveillance. According to the prison authorities, after the guards were seen taking money from prisoners, they confessed to selling the inmates alcoholic drinks and other goods.

In deep sorrow, we announce the death of my beloved wife, our dear mother and sister

LILLIAN (Lily) KLEIN

The funeral will leave today, Tuesday, October 23, 1984 at 2.30 p.m., from the Municipal Funeral Parlour, 5 Rehov Daphna, Tel Aviv for the Holon Cemetery. Transportation will be provided for those attending.

The mourners:
Husband: Sonny Klein
The family and friends in Israel and abroad.

Shiva at the home of the deceased,
87 Rehov Shlomo Hamelech, Tel Aviv.

In loving memory

GNESHA ZUPRICK

(née Eisenberg)
Kibbutz Ein Carmel

Born in David Horodok, 1881. Brought to rest in Jerusalem on October 17, 1984. To her last day, she was the centre of our worldwide family - warm, curious and interested in life. We will never forget her.

Families in Israel and USA:
Efrat, Feldman, Lechman, Zur, Zuprick, Eisenberg, Davidson, LaZebnick, Moskowitz, Gerow, Ben-Zion, Fisher, Latessa, Pang, Stolman, Segalman, Margalit.

We deeply mourn the passing of a very good friend

JOSEPH (Joe) BLOOM

Netanya - Manchester

HOME NEWS

Knesset won't yield on price hikes

By ROY ISACOWITZ
Jerusalem Post Reporter
TEL AVIV. - Histadrut Secretary-General Yisrael Knesset said yesterday that the problem of what to do with price increases "in the pipeline" at the core of the differences between the Histadrut, the government and the manufacturers over the implementation of a package deal on wages and taxes.

Addressing the Histadrut Executive Committee, Knesset said the government is handing that the workers forgo compensation for all price increases before the implementation of a wages freeze by agreeing to yield the cost-of-living increment the month following the freeze. The labour federation is not prepared to accept, he said.

However, he said, the Histadrut should propose that the workers yield 5 per cent of their gross salary in return for a 5 per cent tax rebate, and on condition that the manufacturers absorb 2 per cent of price increases for every 1 per cent yielded by the workers.

The executive yesterday approved the central committee's proposals for package-deal negotiations with the government and the manufacturers. Apart from the wage reduction, the proposals called for strong government action against the black market, tax evaders, and price gougers, and insisted that work and wage agreements not be tampered with.

The executive defeated a Likud motion that called for compensation for the recent wage erosion, and blamed the erosion on the Histadrut's refusal to sign a package deal agreement with the previous Likud government.

Knesset devoted a large part of his speech to an attack on "those who got rich" while the economy deteriorated. He blamed the Likud governments for following policies that allowed wholesale tax evasion by the self-employed and the development of a class society.

"There cannot be a package deal until the government reveals its plans to deal with those who sucked the nation's blood," he said.

Wages are not an inflationary element, Knesset said, explaining that in the past few years wages have lagged behind price rises. "Labour costs amount to only 25 per cent of manufacturing costs. What happens to the other 75 per cent?" he asked.

No date has been set for a tripartite package-deal meeting. Histadrut, government and employers' representatives on a subcommittee of the recently established Economic Council will meet today.

Sharon is a criminal' charge starts brawl

By ROY ISACOWITZ
Jerusalem Post Reporter
TEL AVIV. - A brawl broke out at the start of the Histadrut Executive Committee meeting yesterday, when Likud members attempted to remove Knesset Member Ran Cohen from the podium for alleging that Industry and Trade Minister Ariel Sharon is a criminal.

Cohen, head of the Sheli faction in the Histadrut, attacked Sharon while presenting a motion on the labour dispute in the Ata textile company. He aroused vociferous Likud heckling when he charged that Sharon's recent expressions of sympathy for the Ata workers were "similar to his sympathy for the lives of the soldiers in Lebanon."

Shouting above the heckling, Cohen said: "Believe me, I know Sharon better than you do. It will soon become clear that Sharon is a criminal."

Several Likud members rushed over to the podium and tried to prevent Cohen from continuing his address. Members from the other side of the house rushed to his defence, and a brawl ensued behind the podium, while Secretary-General Yisrael Knesset tried in vain to cool the tempers.

After about two minutes, Histadrut officials succeeded in separating the combatants, who grudgingly returned to their seats. One irate Likud member informed Cohen that "anywhere else they would hang you for saying that." The unrepentant MK announced that he would be happy to renounce his parliamentary immunity if the Likud wished to sue him for slander.

Before the brawl, Cohen charged the Ata management with "negligence" that could possibly be criminal in the running of the company. According to his information, he said, Ata had received a large sum of money from Germany but had failed to supply any goods in return - and the money had not been accounted for.

Knesset was more circumspect in his remarks, but accused the company of mismanagement. The executive approved the central committee's position that the government should ensure that Ata's plants remain open and no workers be dismissed until a solution is found to the problem.

Sharon's libel trial against 'Time' postponed

By WALTER RUBY
Jerusalem Post Correspondent
NEW YORK. - A federal judge here has postponed the start of former Defence Minister Ariel Sharon's libel trial against Time magazine from October 29 to November 12 so that he can consider a motion by the magazine's lawyers for a dismissal of Sharon's suit.

Judge Abraham Sofaer said after a hearing last week that he needed more time to consider the motion.

Time's lawyers argued in their dismissal motion that Sharon's suit, which contends that Time falsely portrayed him as encouraging the massacre of residents of the Sabra and Shatila camps in Lebanon, was based on events that are "acts of a foreign state and as such cannot be adjudicated by a United States court."

Sharon's lawyers, led by Milton Gould of Shea and Gould, submitted a memorandum last week stating that Time had "knowingly and completely fabricated the statements published" and that the statements in the article in which the magazine asserted that Sharon encouraged the massacre were "nothing more than the fabricated product of a virulent anti-Sharon reporter."

The memorandum cited a letter written by David Halevy, a Time correspondent in Israel who contributed to the story, written last May, to Time's chief of correspondents Richard Duncan. According to Sharon's lawyers, Halevy had expressed in the letter "his personal twisted view of Minister Sharon, linking him to Jewish terrorism."

Sharon's lawyers obtained the letter under discovery procedures for the libel case.

Sofaer said at a hearing last week that the Israeli government was "proceeding methodically" in considering requests by Time's lawyers for information in the case. He said that postponement of the trial for two weeks would give Israel more time to furnish the information requested.

During the coming week Sofaer will hear arguments on Time's motion to dismiss the case.

Israel Shipyards 'ready to build subs'

By YA'ACOV FRIEDLER
Jerusalem Post Reporter
HAIFA. - Israel Shipyards is "able and eager" to build the three diesel-powered submarines the Israeli Navy reportedly hopes to acquire, a company official told The Jerusalem Post yesterday.

He confirmed that in a "preliminary" clarification exchange with the navy, the firm had undertaken to build the subs when it is decided to build them here.

"Though no subs have been built in Israel and complex technologies are involved, we have the ability," he official said.

The project, which U.S. sources estimate will cost \$100 million per vessel, would entail "participation of U.S. know-how and financing assistance," the officials believed.

The Post learned that a navy working group, headed by an engineer who is himself a submariner, has started planning a "submarine of the 1990s" adapted to Israel's specific requirements. At this stage the conception is said still to be under consideration, rather than working plans.

It has been estimated that once the decision is made to go ahead with the project, it will take at least two years before building begins, because of the planning involved.

Earlier this month a Washington report indicated that the U.S. Navy opposes having the subs built in America, because it believes that once a U.S. yard begins building diesel subs, powerful political interests would pressure the U.S. Navy into using such subs, even though the U.S. Navy prefers nuclear-powered subs.

If Israel Shipyards is given the job, it would solve most of the company's chronic underemployment problem for several years.

The government-owned yard here still lacks substantial employment for its 800 workers, "and negotiations for the dismissal of another 100 men to trim the work force to an efficient size" are in progress.

Long-standing plans for the construction of two refrigerated ships, as a joint venture of the Zim shipping and Agrexco farming export companies, are still as far from realization as ever. The Post was told that the foot-dragging is coming from Agrexco, which must provide the guarantees to keep the \$25m. ships occupied. The government has promised a \$10m. subsidy for the project, on condition that the workers agree to the reduction of the work force.

Zionist leaders unfazed by pointed questions

By JUDY SIGEL
Jerusalem Post Reporter
TEL AVIV. - How can someone represent a party in the Zionist Executive if he is declared that that party should be disbanded?

Why not propose to the Soviet Union that Israel withdraw from all of the Golan Heights if it will release half a million Jews?

These two questions were raised yesterday by Herut members of the executive, but were greeted with so little interest that the body didn't even vote on discussing them.

The party matter was initiated by Jatiyah Drobless, co-chairman of the World Zionist Organization's Settlement Department and a Herut activist. He was reacting to recent statements by executive chairman and Liberty Party leader Arye Dulzin, who called for the dismantling of the Herut-Liberal Likud. "Is it ethical for someone who represents the Likud in the executive to continue to sit there if he no longer believes in his party?" Drobless asked.

Dulzin, untruffled, said he had been elected chairman unanimously by the wall-to-wall coalition in the executive, and that if that body decided that it no longer had faith in him, he would "consider" the matter. But the other executive members were apathetic to Drobless' complaint and the matter was closed.

Then Ephraim Even, chairman of the Zionist General Council, which meets for a few days a year, suggested the Golan Heights trade. Drobless told his fellow Herutnik that he would agree to the exchange of "Lebanon" for half a million Soviet Jews. There the discussion was dropped.

Even, who is best known in the WZO for initiating the singing by delegates to the Zionist Congress of Zionist songs "in order to generate fraternal feelings," did not press the matter.

The members also discussed a report initiated by Jewish Agency board of governors chairman Jerrold Hoffberger of the U.S., written by Al Fleischman and Howard Weissband, who interviewed large numbers of Agency and WZO staffers.

According to leaks to the press, the report was aimed at studying the "poor image" of the Jewish Agency. Zionist Executive members protested against the impending distribution among themselves of copies (so far, only Dulzin has reportedly read it), on the grounds that no one has the right to declare that the Agency's image is poor.

An Agency source told The Jerusalem Post that the report has no conclusions or recommendations, but only quotes from interviews, and that it is more about improving communication among the Agency hierarchy than about the Agency image.

The only weighty matter raised was that of Soviet Prisoner of Zion Alexander Kholmiatsky, with whom the executive expressed its solidarity. Kholmiatsky was recently jailed for allegedly breaking into a mailbox, after which a pistol was reportedly planted in his apartment. He started a hunger strike a week ago.

The Zionist Executive declared its backing for all refuseniks and Prisoners of Zion.



Astar Shabtai, a "miracle baby" who weighed less than 600 grams at birth, undergoes a standard check-up in the Carmel hospital in Haifa. Astar now weighs 4,100 grams and is developing normally. (Arik Baltinester)

Miracle baby's mother: I talked her into living

By DAVID RUDGE
Jerusalem Post Reporter
HAIFA. - Astar Shabtai is a "miracle baby" in the eyes of her parents and the staff of Kupat Holim's Carmel Hospital here.

Astar was born 15 weeks premature - in only the 25th week of her mother's pregnancy - and weighed less than 600 grams. Her mother Hanna Shabtai told The Jerusalem Post yesterday that this had probably been her last chance to have a baby and that she would Astar to live.

"She was so tiny when she was born and she had so many problems that at times it seemed she would not make it, but I sat by her and kept talking to her and promised her things and I believe this really helped," Hanna said.

Astar had serious breathing problems when she was born because of the underdeveloped state of her lungs and she was immediately put on a respirator in the hospital's neonatal intensive-care unit.

Doctors also discovered that Astar was suffering from a serious circulatory problem, patent ductus arteriosus - an open blood vessel connecting the pulmonary artery with the descending aorta. A week after birth she underwent a successful operation to close the blood vessel.

Her life hung in the balance for a month. But she survived and is now at home with her parents, Hannah and Yitzhak, who live in the city's German Colony neighbourhood.

Astar was released from the hospital after her weight reached 2.27 kilograms. She still has to receive oxygen treatment at home but is otherwise healthy and developing normally.

The Kupat Holim spokeswoman said it was considered a miracle that Astar's mother had given birth after four miscarriages, and that the child survived despite being born so prematurely and so many difficulties.

Hanna Shabtai said yesterday that now "Astar is already 4 kilograms and she is developing fine. We just hope that she won't have any problems with her lungs later in life."

"To us she is a miracle baby who owes her life to the wonderful treatment she received from the staff in the Carmel hospital, in both the neonatal unit and the cardiac department, and all the others who took care of her and helped me and my husband as well. I just don't have the words to thank them for the gift they have given us," she said.

Shas ultimatum - a ministry or into the opposition

By MICHAEL YUDELMAN
Jerusalem Post Reporter
Shas yesterday presented the government with an ultimatum - if the party does not receive either the Religious Affairs or the Interior Ministry, it will withdraw from the coalition.

One of these ministries, as well as the position of a deputy minister and the chairmanship of an important Knesset committee, had been promised Shas in the coalition negotiations.

Prime Minister Shimon Peres had delayed appointing ministers to the two ministries because the National Religious Party is demanding both portfolios.

"We have no choice. If by next week we don't get the Interior or Religious Affairs portfolio, we will be out of the government and into the opposition," Shas Knesset Member Ya'acov Yosef told The Jerusalem Post.

However, after meeting with Vice Prime Minister Yitzhak Shamir and Likud ministers David Levy, Ariel Sharon, Avraham Sharir and Moshe Nissim yesterday, Shas leaders emerged "much encouraged" about their prospects of getting one of the portfolios.

All the Likud ministers reiterated their determination to keep their commitments to us. We had feared that the Likud's support for us had been shaken, but we learned that they are firm in their commitments," Shas leader Rabbi Yitzhak Peretz said.

Deputy prime minister David Levy said after the meeting that the promises to Shas are part of the coalition agreements.

NRP leaders are due to meet Peres today and will insist on heading both Interior and Religious Affairs Ministries as the NRP has done previously. NRP sources stressed that they were certain of getting both because one minister can head both, instead of having one minister for each ministry.

The NRP hopes that Shas will despair of getting its portfolio and withdraw from the coalition, clearing the way for the NRP to receive both portfolios.

Peres is to meet with Shas leaders Thursday.

The Shas Council of Tora Sages, which set the party's deadline for securing one of the ministries to the end of next week, is also due to meet Thursday.

State appeals bomb plotter's sentence

Jerusalem Post Reporter
The state prosecutor yesterday appealed the 15-month prison sentence given last month to Avinoam Katrieli, for his part in the plot to blow up the mosques on the Temple Mount.

Katrieli, 22, pleaded guilty in a plea-bargaining deal in which the prosecution agreed to drop the charges of membership in a terrorist organization.

In presenting the appeal to the Supreme Court, Deputy State Attorney Dorit Beinisch argued that the district court had erred in passing a light sentence on Katrieli in view of the very serious nature of the offence. She also said the lower court had failed to take due note of Katrieli's role in helping to supply the rest of the group with Uzi sub-machine guns and silencers.

Beinisch added that Katrieli's offence was no less serious than that of Yosef Zuria, who was sentenced to three years in jail and given three years suspended for his part in the affair.

Zuria has appealed his sentence to the Supreme Court.

Trade union chief to quit football job

Jerusalem Post Reporter
TEL AVIV. - Histadrut Trade Union Department chairman Haim Haberfeld, who is also chairman of the Israel Football Association, will resign the latter post, Histadrut Secretary-General Yisrael Knesset announced yesterday.

The announcement came after the Histadrut executive approved Haberfeld's appointment to the labour federation's central committee. Knesset said that Haberfeld had promised to resign his IFA post on his appointment to the central committee.

Haberfeld assumed the chairmanship of the Trade Union Department earlier this year, when Knesset left that post to head the Histadrut.

He is also widely recognized as Knesset's deputy.

The conflict between Haberfeld's trade union and football activities came out into the open last week, while Knesset was on a visit to the U.S. Reporters wanting a Histadrut reaction to the record rise in the September consumer price index, announced last week, were surprised to discover that Haberfeld, too, had left the country, without informing Knesset or his colleagues.

On his return to Israel last Friday, Haberfeld denied press reports that he had been on a mission for the IFA. Nevertheless, Knesset reportedly called him in and demanded that he devote himself full-time to Histadrut work.

New NII head may be non-political

By ILAN CHAIM
Jerusalem Post Reporter
Political patronage may not be the determining factor in the selection of a new director for the National Insurance Institute, a senior source in the Labour and Social Affairs Ministry told The Jerusalem Post yesterday.

Ever since Minister Moshe Katzav notified NII director Danny Azriel last month that he is to be replaced, observers have been waiting for the naming of a suitable candidate from the minister's herut party. Such speculation was reinforced on Sunday when Katzav picked Communication Ministry Director-General Zvi Zilker, a Herut stalwart, to replace Labour and Social Affairs Director-General Asher Ohayon, a Tami appointee.

But Katzav is apparently having second thoughts about letting the party politics introduced at the NII by its former Tami ministers continue to hold sway.

"There is an entire gallery of candidates for the job of NII director," the source said. "The new director many not necessarily come from the Herut party, since there are also many professional candidates being considered from within the NII."

Katzav has promised to name a new director within 30 days, the source said.

Alster in, Zilker out at Communications Ministry

Jerusalem Post Reporter
Yoram Alster, an engineer and activist in Shinui, will start work on December 1 as director-general of the Communications Ministry, following yesterday's announcement that the current director-general, Zvi Zilker, would assume the equivalent post in the Labour and Social Affairs Ministry.

Although it was expected that Communications Minister Amnon Rubinstein of Shinui would bring in his own man, the ministry made no announcement of either Zilker's departure or the intention to name Alster. Zilker is on a private visit to Canada and asked that no announcement be made until his return.

Alster, who was number seven on the Shinui list for the Knesset, has been coming to the Communications Ministry offices "as a volunteer" for several weeks, according to a ministry source.

Katz murder suspect 'went berserk'

HAIFA (Tim). - One of the suspects in the murder of Haifa youth Danny Katz last year went berserk during his interrogation and bashed his head against a desk, a policeman testified in District Court yesterday.

In a hearing on the admissibility of confessions entered by the suspects in the case, Staff Sergeant-Major Ilan Hilai denied defence allegations that police interrogators had forced the suspects to reply to questions immediately without giving them a chance to consider their answers.

According to the defence, Ahmad Kuzli, 29, had been tortured during his interrogation and had tried several times to commit suicide. Hilai denied these charges, but acknowledged that Kuzli had written a note in which he said he wanted to kill himself and that at one point in the interrogation he had bashed his head against a table.

Student olim note erosion of support

Jerusalem Post Reporter
Young newcomers studying at universities and teachers seminaries yesterday told Absorption Minister Ya'akov Tzur that severe erosion in the value of government subsistence payments has forced them to take outside work.

Tzur toured David Yellin Teachers College in Jerusalem and of student dormitories at the Hebrew University.

Students from Argentina, France, Iran, the U.S. and other countries complained that ministry grants for olim have fallen very low due to inflation and that the government is slow to update them. They also alleged that Israeli society is inhospitable to newcomers and that they feel isolated.

Tzur said he would discuss the erosion of grants with the finance minister. He added that Israel has the ability to double the number of olim arriving each year (in 1984, the total is expected to be about 16,000). To do this, he continued, the Jewish Agency, the Absorption Ministry and the Jewish people must cooperate.

The facilities visited by the minister are supervised by the ministry's Student Authority.

Cancer campaign slated for November 6

By LEA LAVAVI
Jerusalem Post Reporter
TEL AVIV. - A programme to educate women how to examine their breasts will be one of the projects funded with the \$1 million the Israel Cancer Association hopes to raise in its annual "Knock on the Door" drive on November 6.

At a news conference here yesterday, Ronny Rozim of the municipal Hadassah Hospital said 88 per cent of breast cancers can be cured if detected early. "Women come to the doctor when they feel a lump, but generally, they detect the problem by chance. We want to teach them to examine their breasts regularly so they can be sure to get to the doctor in time."

For almost three years the Cancer Society has been training nurses to teach women to examine their own breasts. Refresher courses have also been offered to family doctors so they will be ready to deal with women who come to them. Now courses will be offered to the public, and a film, booklets, and other means will be made available.

First Jewish film festival in Britain

Jerusalem Post Correspondent
LONDON. - The first Jewish film festival ever held in Britain, which opens here today and will run until November 13, is to highlight "the enormous diversity of contemporary Jewish culture."

Organized by a group of volunteers in association with the Spiro Institute for the Study of Jewish History and Culture, the festival will take place at the National Film Theatre.

IDF allows trucks to cross Awali River

Jerusalem Post Reporter
METULLA. - The Israel Defence Forces yesterday, for the first time in several months, allowed 80 trucks carrying fuel, tobacco and grapes to cross the Awali River northward in the Batr A-Shouf area without the goods having to be reloaded onto another truck.

In the past, the IDF has required trucks crossing the river in either direction to transfer their load to an empty truck for the rest of the journey. This was done to prevent arms smuggling.

"adolescence: challenge to society"

on
"adolescence: challenge to society"
by
michael i. cohen, m.d.
professor and chairman, department of pediatrics
albert einstein college of medicine,
yeshiva university and montefiore medical center
wednesday, october 24, 1984 (28th tishrei, 5745) at
5.00 p.m. in the guest room of the public relations
department, shaara zedek medical center

THE HEBREW UNIVERSITY OF JERUSALEM

ATTENTION

All Students and Staff of the Hebrew University

The Executive Committee of the University's Board of Governors, at a special meeting yesterday decided to delay the opening of the academic year for two weeks, until November 11, 1984. Should it be decided to open the academic year earlier, the University will inform staff and students of the new date. Registration procedures will continue as originally scheduled. Libraries will remain open.

Studies in the One Year and other special programmes of the Robinson School for Overseas Students, will commence as originally scheduled, on October 28, 1984.

13-year-old girl raped in Jerusalem
Israeli diplomat
Third World pro
and Likud
er Knesset
marks tenth anniversary
Prison guards
of selling inmates
N (Lily) KLEIN
IA ZUPRICK

Reagan holds own in second election debate

WASHINGTON (Reuters). - President Reagan appeared yesterday to be holding his course for victory in the November 6 presidential election after his foreign policy debate with Democratic rival Walter Mondale.

Most reviews of the nationally televised debate gave Reagan a slender win, where two weeks earlier in the first debate on economic policy Mondale emerged as a strong winner.

None awarded Mondale the big triumph Sunday night that political analysts said he needed to power him to a major upset on election day.

In the debate, nationally televised from Kansas City, Missouri, Mondale charged that Reagan is out of touch with foreign policy and has "humiliated" the U.S.

Reagan retorted that Mondale has a "record of weakness... that is

second to none" on national defense. "It may come as a surprise to Mr. Mondale, but I am in charge," Reagan replied tartly as his Democratic opponent assailed his policies on arms control, Lebanon, Central America and elsewhere.

In the 90-minute debate, the candidates stood 2½ metres apart, confronting a moderator and a panel of four journalists who posed questions for debate. The debate began and ended with Mondale and Reagan shaking hands in centre stage.

"The president's failure to master the central elements of arms control has cost us dearly," said Mondale, who charged Reagan once said a submarine missile could be launched, then recalled before it exploded.

"I never, ever conceived such a

thing," Reagan replied. "I never said such a thing."

But Mondale insisted. "He said exactly what I said he said."

Mondale, responding to Reagan's assertion that a Democratic administration would weaken U.S. defense, said: "I will keep us strong."

In response to the opening question of the debate, Mondale referred to recent disclosures about a CIA manual for Nicaraguan rebels, which reportedly provides advice on killing Nicaraguan officials, as "this recent embarrassment in Nicaragua, where we are giving instructions to hired assassins."

Reagan said the CIA manual did not amount to what a panelist called "state supported terrorism."

Reagan renounced the manual and said if an investigation reveals the culprits, "we will deal with that

situation and they will be removed."

In the only light moment of the evening, the 73-year-old Reagan was asked directly whether he is too old to handle a crisis.

"Not at all," he said, and in the type of humorous follow-up he often uses to defuse the "age issue," Reagan said he would not make age a campaign issue. "I am not going to exploit... my opponent's youth and inexperience," he said to laughter from the audience and Mondale himself.

Black leader Jesse Jackson, with 2,500 demonstrators trailing behind singing *We Shall Overcome* and *Give Peace a Chance*, yesterday led a march toward the site of the debate between Reagan and Mondale.

Jackson campaigned this year for the Democratic presidential nomination.

New wage system in China 'to reward diligent, punish lazy'

PEKING (AP). - China's wage system of basic pay, seniority pay and bonuses will be scrapped under economic reforms, and replaced by a four-part structure that will mean more money for intellectuals and diligent workers, an official Chinese source said yesterday.

The source said the new system will incorporate basic pay, seniority, a sum based on the job's difficulty and a floating wage tied to work performance.

Under the current system, most office workers and others who do mental work get little or no bonuses, regardless of their academic or technical training. Meanwhile, factory workers can earn two or three times their basic pay from bonuses and often take home more than Chinese with intellectually demanding jobs.

A Communist Party document released on Saturday outlined sweeping reforms that will alter the economic structure by reducing the state's

role, relaxing price controls, raising wages and forcing factories to compete for business, as in capitalist countries.

"The difference between the wages of various trades and jobs should be widened, so as to apply fully the principle of rewarding the diligent and good and punishing the lazy and bad," the document says.

A circular from China's governing state council, published yesterday, encouraged peasants to engage in industry and commerce in cities and towns - another economic departure.

"Peasants starting industrial, commercial and service businesses in towns will help promote their development and make the urban and rural economies prosperous," the circular said.

In Mao Tse-tung's China, strict residency laws prevented 200 million city dwellers and 800 million peasants from moving.

Foreign troops not yet leaving Grenada

ST. GEORGE'S, Grenada (Reuters). - U.S. and Caribbean forces based in Grenada since the U.S.-led invasion a year ago may stay until the middle of next year, a U.S. official said.

The Caribbean news agency Cana yesterday quoted U.S. Information Service Consul Jack Barton as saying he expects the government that emerges after elections in Grenada in December to ask for the troops' withdrawal only after the local police are ready to take care of internal security.

"This could occur perhaps in June or July of next year, or perhaps next autumn," he said.

U.S. troops and a token Caribbean force invaded the island on October 25 last year to topple radical leftists who six days earlier had ousted the government of Prime Minister Maurice Bishop. An interim administration was installed which is due to be replaced by an elected government after polling on December 3.

Soviet envoy Andropov assumes post in Athens

ATHENS (AP). - Igor Andropov, the Soviet Union's new ambassador to Greece, presented his credentials yesterday to Greek President Constantine Karamanlis.

Andropov, son of the late Soviet leader Yuri Andropov, served with the Soviet delegation at the European Security Conference in Madrid and the European Disarmament Conference in Stockholm before he was appointed to Athens.

It is the 43-year-old career diplomat's first post as ambassador.

Western diplomats say Andropov's appointment reflects warming relations between Premier Andreas Papandreu's Socialist government and the Soviet Union.

Poet Henri Michaux, 85

PARIS (AP). - Henri Michaux, painter and poet best known for his prose poems, has died after a long illness, family members said Sunday. He was 85.

Largely ignored by the public, Michaux was acclaimed within international literary circles for two dozen books and personal journals. His works appear on the curriculum of modern French writers at major universities.

Colombo appeals for calm after bombings kill three

COLOMBO, Sri Lanka (AP). - A series of bomb explosions killed three persons in Colombo early yesterday, bringing on a nationwide security alert and a police appeal for calm. Ten persons were reported injured.

The first bomb went off at dawn, killing a man believed to have been trying to plant it at the police station in the port area of the north Colombo waterfront. He was killed as he tried to scale a wall.

The police said the dead man was from Kays in the north of Sri Lanka, where a terrorist campaign by minority Tamil separatists have been going on for the past several months.

The second explosion occurred at around 7 a.m. opposite one of Colombo's two main railway stations in the city's fort area. Four private passenger buses were badly damaged.

Teheran silent as Baghdad reports new Iranian losses

BAGHDAD (Reuters). - Iraq said yesterday its forces killed 400 Iranian troops in the central sector of the Gulf war front on Sunday, bringing total Iranian casualties to 2,499 in the latest round of fighting since last Thursday.

An Iraqi military spokesman said the Iraqis also lost nine tanks, 450 army vehicles, 100 wireless sets, six personnel carriers, six mortars and two anti-aircraft guns.

A high command war communiqué said on Sunday night that Iraqi fighter-bombers and helicopter gunships flew 160 sorties in several sectors of the 1,800km. war front, mainly in the central sector, inflicting "huge" losses on the Iraqis.

In addition, "large numbers of (Iranian) soldiers were wounded and others taken prisoner," according to

aged and at least three persons injured. They were believed to be passengers in the coaches.

The police said the second bomb, a powerful explosive charge, had been planted near a bus stand on the main thoroughfare.

Another bomb went off at Independence Square, where a memorial has been erected to commemorate Sri Lanka's 1948 freedom from British rule. The police said the bomb, which did not cause any injuries, apparently had been concealed in some ornamental shrubbery.

Another bomb went off in the plush residential Cinnamon Gardens area while yet another killed two persons who picked up a parcel at Pellygoda, a northern suburb of Colombo, and took it to a house where it exploded.

Francis Gutmann, the senior permanent official at the ministry, also demanded Abouchar's immediate release.

In Prague, Czechoslovakia's CTK news agency quoted Radio Kabul as saying that Abouchar "pleaded guilty to charges of entering Afghan territory illegally with a terrorist unit," and "was directly responsible for an exchange of fire... in which three Afghan soldiers were wounded."

The radio said "Abouchar carried a letter appealing to anti-state groups to stage a subversive operation for the French journalists to film." (Reuters, AP)

PLO chief Yasser Arafat yesterday had talks in Baghdad with President Saddam Hussein, which informed sources said centred on proposals to end the war and plans to convene the Palestine National Council.

Diplomats here said Arafat was carrying new proposals from the Islamic Conference Organization aimed at ending the four-year-old war. They said the plan included withdrawal of forces by both sides to pre-war borders, and stationing of troops from ICO member states in a buffer zone between them until a settlement of the conflict was negotiated.

Greek premier begins 3-day visit to Poland

WARSAW (AP). - Premier Andreas Papandreu of Greece arrived in Warsaw yesterday for a three-day visit, becoming the first NATO leader, albeit the most leftist one, to travel to Poland since the Communist government crushed the Solidarity labour union movement and imposed martial law.

Papandreu was welcomed at Warsaw's Okęcie Airport by Polish

leader General Wojciech Jaruzelski, who hoped to reap substantial political benefits both at home and abroad from the Greek premier's visit.

Papandreu's visit has been welcomed by Communist authorities as signalling an end to the three-year diplomatic quarantine of Poland by NATO countries.

France protests heavy Afghan jail term for newsmen

PARIS. - Afghanistan's Charge d'Affaires was summoned to the French External Relations Ministry yesterday as anger mounted over the jailing for 18 years of French television journalist Jacques Abouchar in Kabul.

Abouchar, detained on September 19 in the southern border area while travelling with anti-government guerrillas, was sentenced by a court over the weekend for entering the country illegally. Abouchar's crew escaped.

An External Relations Ministry spokesman said Afghan envoy Abdullah Keshmand had been handed two notes addressed to the Kabul authorities.

Francis Gutmann, the senior permanent official at the ministry, also demanded Abouchar's immediate release.

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The radio said "Abouchar carried a letter appealing to anti-state groups to stage a subversive operation for the French journalists to film." (Reuters, AP)

Teheran opposes Turkey's pursuing Kurds into Iraq

TEHERAN (Reuters). - Iran told Turkey yesterday it was opposed to Turkish forces crossing into neighbouring Iraq in pursuit of rebel Kurdish guerrillas.

President Ali Khamenei gave the message to visiting Turkish Interior Minister Ali Taniriyar who presented Turkish proposals for joint cooperation among Turkey, Iran and Iraq against autonomy-seeking Kurds in their border areas, the national news agency Ima reported.

Diplomats said Iran was happy to see Baghdad involved in fighting Kurds in North Iraq, and would see any help given by Turkey as freeing Iraqi troops to fight Iran in the Gulf war.

Turkish troops are already reported to have crossed into Iraq in pursuit of Kurdish guerrillas under an agreement with the Baghdad government.

Tight security for Mitterrand's visit to London

LONDON (Reuters). - French President Francois Mitterrand arrives today on a state visit to Britain amid tighter than usual security following a bomb attack by Irish guerrillas on the British government 10 days ago. Officials routinely decline to discuss security around public figures. But they acknowledged that precautions had been stepped up at Westminster Palace, where Mitterrand will address the two Houses of Parliament tomorrow.

India bars political parties from getting foreign funds

NEW DELHI (Reuters). - Prime Minister Indira Gandhi's government, in a major election move, has banned foreign contributions to Indian political parties.

An ordinance issued by President Zail Singh Sunday night said the ban was to plug loopholes in the Foreign Contribution (Regulation) Act of 1976. It said so far regulation of foreign contributions had not been "very satisfactory."

"This order is absolute. No exemption can be granted to any political party for receiving foreign contributions," the official statement said. No precise figures exist for foreign donations to Indian political parties or other groups.

The statement also said all "cultural, economic, educational, religious and social associations," receiving

foreign aid must register with the Home Ministry.

It added that such groups could receive foreign funds "only through a specified branch of a bank which will have to be specified by them in their application for registration."

Political analysts said the ban was likely to directly affect hundreds of social, welfare and missionary groups.

The order was issued less than three months before national elections are due and amid growing complaints by Gandhi at external threats to India's stability.

Gandhi accused opposition groups last week of starting protest movements and said unnamed foreign powers were taking advantage of the protests.

Philippine 'jeepney' drivers strike over fuel price rise

MANILA (AP). - Riot policemen trapped about 200 striking transportation drivers and their supporters in an office building yesterday as strike organizers announced they would continue the strike a second day.

Policemen with truncheons broke up groups in scattered parts of the city and marines in battle fatigues rode on buses that defied the strike against an increase in gasoline prices.

"The brutal dictatorship of Ferdinand Marcos has all the more revealed its anti-people stance," said a statement released by strike organizers as more "jeepney" drivers joined the walkout.

Jeepneys are colourful, elongated jeeps that can seat more than a dozen passengers and form the backbone of the country's public

transport system. Manila also has buses, taxis and a new elevated railway scheduled to operate next year.

The strike affected several Philippine cities, including the second biggest metropolitan area in Cebu, where the government news agency said only private vehicles were on the streets by late morning.

The drivers, claiming 80 per cent success in efforts to paralyze Manila's public transportation, said they would continue the strike for another day.

Organizers said they may prolong the strike indefinitely until the government meets their demands to roll back the oil price increases and repeal a decree raising new car registration taxes.

The government allowed a 13 per cent increase in oil rates following a decline in the peso's value with the lifting of foreign-exchange controls.

Chad peace parley gets under way

BRAZZAVILLE (Reuters). - Preliminary peace talks aimed at ending Chad's civil war got under way in earnest here yesterday with all political and military groupings attending, conference sources said.

Former Chad president Goukouni Oueddei's exiled Transitional Government of National Unity (Gunt), the main anti-government grouping, boycotted Sunday's first working session, objecting to the absence of delegates from the Organization of African Unity (OAU).

After hours of consultations, Gunt accepted assurances from the Congolese government, which is sponsoring the talks, that it was duly mandated by the OAU to play host to the conference, the sources said.

All previous attempts at solving the 20-year-old civil war through negotiations have been held under OAU auspices.

Fighting draw, rained-out draw

LAHORE (Reuters). - The first cricket Test between Pakistan and India ended in a draw here yesterday.

Scores: Pakistan 428 for nine declared, India 156 and 371 for six. When play resumed on the last day, India needed to fight a rearguard action. They were 180 for 4, with 52 runs away from safety. The way their batsmen had battled in the first innings, coupled with a few doubtful LBW decisions, made the prospect of Pakistan winning the match quite good.

But Mohinder Amarnath played an unbeaten innings of 181 and with Ravji Shastri (71) added 126 valuable runs for the 5th wicket.

In Brisbane, John Maguire, Queensland's lanky right-arm fast bowler, added to West Indian frustrations with a magnificent spell of seam bowling which sent the tourists' powerful batting reputation crashing.

Maguire, 28, grabbed a personal best of 6-48 as the West Indians batting big names crumbled in a damp wicket to be all out for 177 in reply to the tourists' 188. The weather then intervened and the match ended in a draw after more than 14 hours play was lost because of rain and bad light.

Sports

Masterly Marino keeps Dolphins perfect

NEW YORK (AP). - The Chicago Bears and unbeaten Miami, led by quarterback Jim McMahon and Dan Marino, threatened to make runaways of their National Football League division races with easy victories on Sunday, while AFC Central leaders Pittsburgh were shocked by the Indianapolis Colts.

Marino led a 552-yard offensive explosion with four touchdown passes, setting a club record of 24 in one season, as the Dolphins remained the NFL's only team with a perfect record by mauling the New England Patriots 44-24.

Chicago beat the Tampa Bay Buccaneers 44-17 and Indianapolis upset the Pittsburgh Steelers 17-10.

In other NFL games, it was St. Louis 24, Washington 24; Philadelphia 24, New York Giants 10; Detroit 16, Minnesota 14; Denver 24, Buffalo 7; Cincinnati 12, Cleveland 9; Seattle 38, Green Bay 24; San Francisco 49ers 34, Houston 21; New York Jets 28, Kansas City 7; Los Angeles Raiders 44, San Diego Chargers 27; Dallas 20, New Orleans 27 in overtime; the LA Rams play at Atlanta tonight.

Miami led the AFC East with an 8-0 record ahead of the Jets who record 6-2; Pittsburgh at 4-4 in the Central followed by Cincinnati's 2-6, while in the West Denver and the Raiders, both on 7-1, lead Seattle who post a 6-3 record.

In the National Conference East, Dallas, St. Louis and Washington are level with 5-3; Chicago, 5-3, head Detroit and Tampa Bay, both 3-5, in the Central while San Francisco are 4-4 ahead of the Rams in the West, a record of 7-1 as opposed to 4-3.

Women tennis players flock in

TEL AVIV. - Thirty overseas players are competing in the Israel Tennis Association's \$10,000 Galt women's international tournament, which begins this morning at Elia's Aviya Sonesta Beach Hotel. The 12-nation event moves to the Elia Tennis Centre in the afternoon.

Several more players have arrived to augment the foreign entry in last week's Galt women's tournament. The Israeli women's tennis team (ranked 170th in the world) and Italian Laura Garone (190th), who are seeded first and second in the 32-strong main draw. Another newcomer, Caterina Nazzari of Italy (218), is seeded fourth behind Svetlana Ivanova (204) and Kati (205). The main draw includes six Israelis.

The five-day tournament, which introduces international tennis to Elia, is also one of the biggest international sporting events held in the Red Sea port.

Harrow tourists in six-match tour

By DAVID RUDGER
Jerusalem Post Reporter
HAIFA. - The Harrow Cricket Club, one of the most prestigious in north London, begin a two-week tour of Israel today. Harrow, who have visited the country several times in the past and also entered Israel's national side on two occasions, they have been in Elia's will play a total of six fixtures against combined local club opposition.

The opening match is in Kiryat Bialik with other fixtures this week in Lod on Thursday and in Beersheba on Saturday.

The 34-strong visiting contingent of players, their families and supporters is headed by Harrow's long-serving member Geoffrey Davis who is honorary treasurer of the International Cricket Conference. Together with his colleague Henry Pinks as heads of the UK supporters of the Israel Cricket Association they have played a major role in helping Israeli cricket on the world scene.

A UN XI defeated an Israeli invitation team in Ramat Hashikma in the first of three matches. Invitation 138 all out (Ismail Salameh 57, Alfred 3-9, Calendar 3-15; UN 144-7 (Nebbiel 48, Ashdov 3-49).

Kaye is top squash junior

Post Sports Reporter
RAMAT GAN. - Johnny Kaye carried off the major under-18 crown at the fourth annual National Junior Squash Championships, beating Rael Goodman 3-0 (9-2, 9-1, 9-2) in a one-sided final lasting only 35 minutes. More than 80 youngsters competed in the Succor tournament, held at the Kfar Hamacabiah courts here.

Warren Berman defeated Gidon Maravits by the same margin in the under-16 final round, reversing the result in last year's final between them in this age group. The winners of the under-14 and under-12 events were Rael Berman and Zvi Wolfeld, who each scored 3-2 victories in their respective finals against Menachem Neeman and Yairi Bloembergen.

Tel Aviv

MUSEUMS
Tel Aviv Museum Exhibitions: Art of Sardinia until the end of the Nuragic period. The Zone. Ennio Balle's photographs of neo-Nazi street gangs. Nahum Gutman, paintings and illustrations. Collections - Classical 17th and 18th century paintings; Impressionism and Post-Impressionism; 20th Century Art; Selection of Israeli Art; Special loans, including paintings by Monet, Morisot, Pissarro, Bonnard, Matisse, Renoir, Dufy, Helene Rubinstein Pavillon; Dennis Oppenheim's *Factories*, *Fireworks*, 1979-84, machine-like sculptures. Viewing Hours: Tel Aviv Museum: Sun.-Thurs. 10-10 P.M.; Fri. closed. Sat. 10-2; 7-10. Helene Rubinstein Pavillon: Sun.-Thurs. 9-1; 5-9 P.M.; Fri. closed. Sat. 10-2.

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ENTERTAINMENT

TELEVISION

EDUCATIONAL:
8.15 School Broadcasts 15.00 Everyman's University: Classical Greece: Emerging African Nations: Viewpoint 16.00 Rainbow: Shabbat Light 16.30 No Secrets 17.00 A New Evening - live magazine
CHILDREN'S PROGRAMMES:
17.30 The Canal Children: Part 1: A Gon-pooder
18.00 Paster, Higher, Stronger - sports
ARABIC LANGUAGE PROGRAMS:
18.30 News roundup
18.30 Cartoons
18.45 What's the Answer?
19.00 Mt. Everest - documentary
19.30 News
HEBREW PROGRAMMES resume at 20.00 with a news roundup
20.00 What a Piece - TV game
20.30 Love Story: Grade Expectations
21.00 Mabot Nevech
21.30 Second Look - news commentary
21.30 Rumpole of the Bailey, starring Leo McKern: Rumpole and the Old Boy Net
23.00 Tales of the Unexplained: Clerical Error
23.25 News
JORDAN TV (unofficial):
17.30 Cartoons 18.00 French Hour 18.30 (TV 3) Science Film 19.00 News in French 19.30 News in Hebrew 19.45 Magazine
Zero One 20.00 News in Arabic 20.30 News in English 21.10 Tenko 20.30 Tenk in English 22.15 The Yellow Rose
MIDDLE EAST TV (from T.A. satellite):
13.00 Westworld - Haden: Concert Music for Strings and Brass: Elgar: Cello Concerto; Schumann: Symphony No. 1
23.00 Concerts - works by Berlioz, Arni, Monizotti, Britten, Bach and...

First Programme

6.03 Programmes for Olif
7.30 Morning Concert (from Voice of Israel)
9.05 Encounter - live family magazine
10.30 Programme in Easy Hebrew
11.10 School Broadcasts
12.30 Education for all
12.35 Sephardi songs
13.00 News in English
13.30 News in French
14.00 Children's programmes
15.25 Education for all
15.35 Notes on a New Book
16.05 A Political Book
17.10 Jewish Ideas
17.30 Everyman's University
18.05 Afternoon Classics
18.47 Bible Reading
19.05 Talmud Lesson
19.30 Programmes for Olif
22.05 Two by Two

Second Programme

6.12 Gymnastics
6.30 Editorial Review
6.53 Green Light - drivers' corner
7.00 This Morning - news magazine
8.05 Safe Journey
9.05 House Call - with Rivka Michaeli
10.10 All Shades of the Network
12.00 Open Line - news and music
13.00 Midday - news commentary, music
14.06 A Taste of Honey - with Dan Kaner
15.10 Safe Journey
17.10 Economics Magazine
18.05 Health and Medicine Magazine
18.45 Today in Sport
19.45 Today - radio newsweek
19.50 New World - environment magazine
22.05 Cantorial Requests
23.05 Folk songs
23.05 Station

Army

6.10 Morning Sounds
6.30 University on the Air
7.07 707 - with Alex Anski
8.05 Morning Newsweek
9.05 Right Now - with Rafi Rostein
11.05 Israeli Summer - with Eli Yarnell
12.05 Regards - to and from soldiers serving in Lebanon
13.15 Two Hours
15.05 Time Out
16.05 Four in the Afternoon
17.05 Evening Newsweek
18.05 Mile Stone - nature magazine
19

The plea from Leningrad

By ARYEH RUBINSTEIN / Jerusalem Post Reporter

not only lost his job as a teacher of physics and math but he is being vilified in the Soviet press as a "Zionist agent" who incites the populace against the authorities.

Utevski's daughter, Eugenia Utevskaia, is also among the signers of the appeal, and so is his son-in-law, Alexander Yudoborsky. The couple have two young children, and have unsuccessfully sought permission to join Eugenia's parents since July 1982.

In May 1981 the two were detained and interrogated after a police raid on a Jewish cultural seminar in the flat of Gregory Vasserman (another signatory to the appeal). Eugenia Utevskaia was later a defence witness for Eugenia Levin (also a signatory), who was charged with having kicked a policeman, a crime punishable by five years in jail.

Eugenia, a graduate in chemical engineering, is working as a cleaning woman. Her husband has not been allowed to work in his profession since earning his degree in electrical engineering. He works as watchman.

Lev Utevski and his wife waited only three months for their exit visas. He ascribes that to the desire of the Soviet authorities to break up the seminar, where he lectured on Jewish history. When he started lecturing there, he resigned as laboratory chief at the Leningrad branch of the All-Union Scientific Institute for Man-Made Fibres in order not to create problems for his Jewish subordinates there.

UTEVSKI had no special Jewish background, but a very good library bequeathed by his grandfather kindled an interest in Jewish history

when he was 16 or so, and it became a kind of hobby for him. He even managed to acquire a copy of the Bible (in Russian, with illustrations by Doré), not an easy feat in the Soviet Union.

At the seminar, founded by Vasserman and Gregory Kanovitch in the summer of 1979, he discovered "that I could give something to people who were more ignorant than I was."

Utevski says that the signers of the appeal are the people most active in Leningrad, and perhaps in the Soviet Union, on behalf of both aliya and Jewish Culture. "And they are all in danger."

Vasserman, who teaches Tora, Mishna and Hebrew, was fined after the raid for having had a gathering of "a Jewish community" in his flat. In January 1982 he was beaten unconscious and left in the snow, and since then four or five articles have appeared in the press accusing him of spreading Zionist propaganda.

Utevski, who is a member of the presidium of the Public Council for Soviet Jewry, says that none of the signatories has received any support from the Israel government. On the contrary, when Menachem Begin, then prime minister, addressed the Presidium of the World Conference on Soviet Jewry in October 1982, he said it was a mistake to fight for cultural rights for the Jewish minority; the struggle should be for the right to repatriation.

"But Jewish culture was not an end in itself," Utevski says. "Clearly there is a close connection between it and aliya, as evidenced by the fact that most of the signers of the application to organize the Jewish cultural society in Leningrad were

refuseniks."

THE ONLY explanation he can suggest for the "tactic" - "it wasn't Begin's in particular" - of setting one goal against another was that it gave the government an excuse for not doing anything about Jewish culture. And because of that approach, he says, the two movements - culture and aliya - were separated.

Utevski says that World Zionist Organization chairman Arye Dulzin followed the same pattern last month when he announced that "in response to requests from Soviet Jews, we will no longer talk about reunion of families but about repatriation."

"There is a movement for repatriation," Utevski comments, "and there is the tragedy of separated families. Why set the one against the other? That's a kind of pseudo-activity."

But perhaps the government and the Zionist Organization have really been working behind the scenes, in the belief that that is the more effective method?

"I'm all for quiet diplomacy," replies Utevski. "On one condition. It must exist. In 1979, when 51,000 Jews left the Soviet Union, it is quite possible that quiet diplomacy was employed. But I have grave doubts that quiet diplomacy was resorted to in the last two or three years. If it was, it has been unsuccessful and it is time for something else."

He says that the prime minister's adviser on Soviet Jewry should be responsible "to the government, to the Knesset, and to society." There would then be three levels of democratic control; today there are none.

As our conversation comes to an end, Utevski says he wants to emphasize three points: "The signers of the appeal are knowledgeable and responsible Jewish activists in the front line of the struggle for Jewish survival."

"From my experience in Israel, and that of other former activists, what they said about the attitude of the Israel Government and Israel society is true, every word of it. "And every one of the signers could be imprisoned tomorrow."

TZUR INTENDS focussing on three major fields in the coming years: preparing a project for settling more immigrants in Jerusalem ("I've already consulted with Mayor Teddy Kollek on this"); bringing in immigrants who specialize in high-technology jobs ("we can have our own Silicon Valley"); and sending more immigrants to the Arava and the Galilee.

As a loyal Labour Party activist, Tzur opposes settlement in certain areas of Judea and Samaria, but it will be the government, not the minister alone, who will decide which settlements will get greater investment for receiving new immigrants.

Unlike Uzan, he does not intend to cross the invisible boundary between absorption and the Jewish Agency and to go abroad in order to try to find immigrants in far-off Jewish communities. But he does want the government to be less passive in decisions made by the agency that affect absorption.

In the course of his briefings, Tzur has become convinced that the government must do more to help singles who come on aliya. They now constitute nearly 50 per cent of all immigrants, but their rental subsidies and mortgages are only a shadow of those offered to immigrant families. Despite the economic situation, Tzur urges the building of rental flats at fair prices for new immigrants, particularly those who are not married.

Another necessity is the linkage of mortgages to the dollar so that the real value of the government loans to immigrants will not shrink by the day until the authorities get the Treasury's permission to raise them.

The attention given to Ethiopian immigrants must improve too. Tzur says the staffers who work with them are devoted but that some paternalism in the establishment does exist.

Regarding Israeli emigrants, Tzur is opposed to cutting off all ties with them, but they must also not be coddled. They should receive assistance in finding a job and a place to live, but should not be smothered with customs benefits that only work to encourage Israelis to emigrate and then return better off. Tzur's ministry has been charged with coordinating all government activities regarding the absorption of returning emigrants as well as with "preventing yerdia."

Meanwhile, when Tzur isn't busy with absorption affairs, he is at his kibbutz with his wife and two of his four children - two are serving in the army. He continues to do his kitchen duty every five weeks. He insists that his new position is not going to change either his personality or his lifestyle.

most recent state elections.

The New Jersey Jewish Coalition is trying to telephone as many of the state's 98,000 Jewish households as possible. Those who express a preference for Reagan or indicate that they are undecided are mailed a letter that asks for their support.

Democratic presidential nominee Walter Mondale is counting heavily on winning the state's 16 electoral votes. And James Maloney, the state Democratic chairman, says he expects 65 per cent of the state's Jews to vote Democratic.

"Most Jewish voters concur with the environmental, human rights, and nuclear freeze stand for which Mondale and the Democratic party are far superior," says Maloney.

Crash course for a minister

By JUDY SIEGEL-ITZKOVICH / Jerusalem Post Reporter



Minister of Absorption Ya'acov Tzur.

(Shlomo Lavie)

TZUR IS WELL aware of the difficulties facing his ministry, which suffered severe budget cuts under Uzan, and of new immigrants, who are likely to have a harder time than usual in the difficult economic situation that is unfolding.

But Tzur does not go along with the suggestion that Jews living in the West and who are interested in immigrating should postpone their arrival until after the economic crisis subsides. So far, immigrants have not faced any particular problems finding jobs, he says, except for those in professions and with training that are not in demand whatever the economic situation.

In addition, engineers, technicians and others in high technology fields are urgently needed by Israel's economy - in fact, their presence here can help bring the country back to economic recovery. "In the history of Zionism, there were always periods of special difficulty. We will overcome them," he says.

Tzur learned during his crash course in absorption affairs that his ministry has all the responsibilities for immigrants here but "little of the authority." For example, the absorption authorities must go hat in hand to the Housing Ministry in order to get government built flats for olim who come without means.

The Absorption Ministry must

also contend with the Jewish Agency and the World Zionist Organization whose aliya emissaries abroad may have promised things that it can't deliver or who may not have had up-to-date information on conditions in Israel.

Coordination between the ministry and the agency has improved in recent months, since the retirement of the past ministry director-general and of the head of the agency's aliya department, who had an ongoing personal dispute between them. "But cooperation is still not good enough," he says.

Tzur plans to resuscitate the joint government-agency coordinating bodies that haven't met for years but that are supposed to discuss common issues and problems regarding immigration.

The minister wants the government to become more active in immigration matters. The Jewish Agency, he says, is supposed to arouse in Diaspora Jewry an awareness of their connection with the Jewish state, and the Absorption Ministry must help Israelis and the government appreciate their connection with Diaspora Jewry.

He will put special emphasis on the crisis situation facing Soviet Jews, who fear they are entering a new age of Stalinism. Soviet Jewry will be the subject of a cabinet meeting in the near future, at the request of the premier.

Wooing the Jews

By ALAN FRAM / Washington

I think the Republican party has become more liberal. Jews believe the individual has rights and should advance in society based on his own merits, and that's what the Republican party believes."

Waldman believes Jewish political sentiment began to shift in 1972, when Jews perceived a shift in Democratic foreign policy by Democratic nominee George McGovern. ACCORDING TO the American Jewish Committee, Democratic President Jimmy Carter received 44

per cent of the Jewish vote in 1980, Reagan took 39 per cent and independent John Anderson 15 per cent.

It is those proportions that the Republican-backed National Jewish Coalition, with its budget of nearly \$2.5 million, is setting out to change with paid staffers in New Jersey, New York, California, Florida, Massachusetts, Pennsylvania, Michigan, Ohio and Illinois.

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Campaign to enlighten public is planned Manufacturers deny that food prices are too high

By MACABEE DEAN
TEL AVIV. — The Manufacturers Association is planning an intensive information campaign "to help the public and the media get their facts straight about the real price of foods."

This was stated yesterday by David Mosevics, head of the Food Division of the Manufacturers Association, following a stormy meeting earlier this week. At the meeting members of this division claimed that they were "being lynched by irate consumers whose emotions were being fanned by a press and radio which had yet to check the facts."

Mosevics yesterday made two points: "The average cost of food in Israel is ten per cent lower than in Europe and 20 per cent lower than in the U.S."

Moreover, he said that prices in Israel had not soared by any astronomical figure recently, or any time during the entire year since January. "Prices have risen in line with inflation; we did not create inflation; we are victims of inflation," he stressed.

However, he did admit that "if a manufacturer has to give credit for 45 days to the retail outlets, he has to add another 50 per cent to the original selling price to cover the cost of this credit. This is only fair; and this only means we are keeping up with the inflationary spiral. Reduce our credit period substantially; better yet, let the networks pay cash, and consumer prices should drop."

Mosevics said that the Israeli public was in a state of semi-panic, and in all such occasions the public looks around for a scapegoat. With the help of the media — which have not taken the trouble to check the true facts — the public is blaming us for profiteering, causing inflation, and anything else it wants. It may be difficult for the public to check the facts, but the media should take the trouble to do so.

He added that only one item, mayonnaise, had risen faster than the index. "And this was because the government had increased the price of oil — the main ingredient — at an enormous rate, some 250 per cent in the past few months."

Telma lowers price of its mayonnaise 15% in groceries

MARTHA MEISELS
Jerusalem Post Reporter

TEL AVIV. — The manufacturers of Telma mayonnaise yesterday reduced the recommended retail price on the half-kilo and quarter-kilo jars by 15 per cent, but only in the private grocery shops, not the chain stores. However, Telma warns it may take days or even a week or more before grocers receive new deliveries with the amended price list.

Shlomo Furman, general manager of Israel Edible Foods, which makes Telma products, told this reporter that the special campaign in private shops was a "gesture" to the Consumer Council. The reduction is not being applied to the chain stores because of the lengthy credit terms built into their price structures, *The Jerusalem Post* learns.

The Consumer Council last week took both Telma and Osem to task for raising mayonnaise prices by 105 per cent between mid-August and late September — way beyond the inflation rate. Telma countered that the main ingredient, oil, — price-fixed by the government — had risen a whopping 143 per cent in that period.

The current list price of a half kilo jar of Telma mayonnaise is IS1,274

at the chain stores and should be only IS1,083 at the private grocers if they follow the reduction price. The wholesale price to grocers has dropped a corresponding 15 per cent.

The Consumer Council executive has decided to call for shopping boycotts on a select number of items, the first of which are due to be announced this Thursday. Meanwhile, the council is checking with manufacturers for their explanation of seemingly out-of-line increases before deciding which products to boycott.

HELP. — The European Community Commission will help finance a Moroccan agricultural project benefiting some 180,000 small farmers whose output is affected by drought. The EC will provide a grant of 14 million European Currency Units (\$9.9 m.) and lend 10 m. ECUS (\$7.1 m.) to help fund the project, an EC spokesman said.

LABOUR RELATIONS. — High school pupils studying social sciences will have the option of taking a graduation exam on labour relations beginning this academic year, the Education Ministry spokesman has announced.



A passing glance is earned by the dummy dressed as an old-style craftsman at the carpentry stall in the Israel Furniture '85 show at the Tel Aviv Exhibition Grounds recently. (Galmi Amram)

No cut in oil price, Yamani declares after Opec talks

GENEVA (AP). — Saudi Arabian Oil Minister Sheikh Ahmed Zaki Yamani yesterday said that Opec will maintain its current price structure in the face of what a Libyan delegate called the "stupid" price cuts by Britain and Norway last week.

"There will be no price change," Yamani said after meeting oil ministers of four other Opec countries, as well as Mexico and Egypt in a preparatory session here for an emergency meeting of the full, 13-member cartel on October 29.

Sources close to the meeting said the ministers, led by Yamani, discussed reduction in output quota and how each member nation would bear the burden of reductions in the cartel's current 17.5 million barrel per day output.

Earlier yesterday, Kamel Hassan Maghur, former Libyan Oil Minister who lost the presidency of the Organization of Petroleum Exporting Countries when he resigned, said the cartel members would seek to steady prices by cutting production.

The oil minister of Egypt, a non-member, also attended the meeting. The meeting comes after Norway cut its per barrel price by \$1.50 to \$30 and Britain cut its price by \$1.35 to

\$28.65, reflecting downward pressure from the "spot" or free market.

Debt-ridden Nigeria announced unilateral cuts of \$1 and \$2 a barrel last week, lowering its chief export blend to \$28 a barrel in a move seen as meeting the Norwegian and British price cuts head on.

Maghur said Opec's aim is to stabilize the market, rather than find a new price and referred to the Norwegian and British price cuts as "a stupid move."

"In 1983, we cut five dollars and we've suffered," said Maghur, who is acting as an "official consultant" to the Libyan delegation. "In 1984, we are not going to cut prices."

In an interview with the Kuwait newspaper *Al-Anba*, Kuwait's oil minister said the current oil price crisis was a "transient affair that occurs every March and October," and studies indicate demand for Opec crude will rise to about 13.5 million barrels per day in November and about 19.5 million barrels per day in December.

He also expressed the view that the current crisis might prove to be a "golden opportunity" for dealing decisively with attempts within or outside Opec to tamper with the world oil market.

Scitex wins prestigious U.S. graphics award

TEL AVIV. — Scitex has received three merit awards in the 1984 Graphic Arts Competition, an event sponsored by Printing Industries of America Inc., which, with nearly 11,000 members, is the largest association of the industry in the U.S.

Scitex won the awards for the layout of its 1983 annual report and

for its two Vista System brochure entries in the folder category.

All three Scitex entries were designed by Studio Ilan Hagari, of Tel Aviv. Typesetting was done by Yosi Biran, of Ramat Hasharon. The copy was written and produced by Scitex's department of corporate communications.

Five companies submit statements to the stock exchange Reporting early, late and later still

By PINHAS LANDAU
Post Finance Reporter

The latest company results, released on Sunday, can only be described as extraordinary. Their "extraordinariness" lies, however, not in the profits and losses reported in them, but in the fact that they refer to such a wide time span.

Thus, of the five companies reporting, one is giving annual results for the year ending March 31, 1984 and is therefore almost seven months late. Two are covering the first half of calendar 1984, and two — remarkably enough — are reporting on the nine-month period ending September 30, 1984 — just three weeks ago.

One can only point out that, if some companies can manage to process results so quickly, it is most likely that others could as well, if pushed to it. It is thus up to the stock exchange and the Securities Authority to tighten up the existing reporting rules, to the benefit of the small investors (such as are left), even if this costs the companies some extra accounting fees.

The results themselves are a thoroughly mixed bunch. Taking the longest-awaited first, Octagon Industries 74, the last industrial company to report results for the 1983/84 year, did not spoil the general trend of this sector. The company's adjusted profit of IS20.8 million in 1982/83 disappeared, to be replaced by a loss of IS79.2m. for the last

year, or just over \$500,000 at the March 1984 exchange rate.

Company chairman Avraham Oved, in a letter to the shareholders, throws no light on the reasons for the decline in profitability, noting only that the company is continuing to invest in developing electronic parts and in expanding its marketing network in the U.S. On the basis of this, management believes that the company's business results will soon improve, despite the current difficulties in industry and the economy generally.

Tadea Technology Development announced a loss of IS 84.2m. for the first half of 1984, after a loss of IS68m. in the same period last year. (The exchange rate was IS236.4 — \$1 on June 30, 1984). Management notes that the sales grew at a nominal rate greater than that of inflation over the last year, and that nominal profits jumped from almost nothing to IS68m.

The fact that Tadea's sales are affected by seasonal factors, so that two thirds of total sales fall in the second half, also explains the large first-half loss. Furthermore, the company was forced to suspend its sales to Spain, because of high taxation and the decline of the peseta. These sales had been at the level of \$750,000.

The company is now negotiating to expand its activities in the U.S. and one of the founders, Matti Raz, has left for the U.S. for three years to manage Tadea's subsidiary there. This company represents some 40

per cent of Tadea's turnover.

Taro Pharmaceuticals lost IS115.9m. in the first half of 1984, compared to a IS71.5m. loss in the first half of 1983. These losses are ascribed to the weight of financing costs and the lag in raising product prices. However, following a reorganization of the company, management expects the loss-making trend to be replaced by a return to profitability.

And so the two companies, both of First International Bank group which publishes quarterly results, who produced up-to-date figures with such alacrity.

Merav Mortgage Bank, a subsidiary of First International, reported a profit for the first nine months of 1984 of IS61m. This compares to a loss of IS89m. in the same period last year. Using an exchange rate of IS400 to the dollar for simplicity, shows the profit to have been some \$150,000 — not much, but a turnaround nevertheless. The figures for the third quarter are not given separately, but it seems that the rate of profitability has fallen since the second quarter of this year.

Merav's subsidiary, Independent Mortgage Bank, also reported an adjusted profit for the first nine months, of IS21m. This, however, is a decline from the equivalent IS49m. for the first nine months of 1983. The decline is attributed to the effect of advance tax payments which cause an erosion of capital, since they are greater than the actual tax liability that the bank's real profits justify.

Elbit buys 70% of U.S. high-tech firm

By PINHAS LANDAU
Post Finance Reporter

TEL AVIV. — Elbit Computers, a subsidiary of Elron, has announced the completion of the deal whereby it has purchased 70 per cent of the Boston-based firm, Inframetrics Inc. Elbit first informed the stock exchange and the other statutory authorities of its negotiations with Inframetrics ten days ago.

The Inframetrics purchase will cost Elbit \$8 million, for the majority stake that it is buying from the present owners, who will be left with the minority holding. Inframetrics' sales for the year to June 30, 1984 were \$8.3m. and the company had a profit of \$600,000.

Inframetrics was set up in 1975

and designs, manufactures and sells advanced infra-red and night-vision systems for imaging radiometers. These are based on proprietary patents in scanning technology for infra-red imaging and signal processing.

Elbit has been involved with Inframetrics on a commercial basis for some years. In 1983 the two companies set up M.V. Inc. to develop and market military equipment based on infra-red technology. This company will now be merged into

Inframetrics as a subsidiary.

Elbit's strategy in this purchase is to broaden its technological base in the field of advanced sensors, which are an important component of the other systems and products of the company. The scanning system developed by Inframetrics has a wide range of applications in both civilian and military spheres. Elbit therefore believes that through its new acquisition it will be able to expand its U.S. and worldwide sales in the coming years.

Jobless rate in EEC jumps to 11.3% of the workforce

LUXEMBURG (AP). — The number of jobless in the European Community nations, except Greece, swelled by 333,000 to almost 12.7 million last month, or 11.3 per cent of the workforce, the EC statistics agency Eurostat reported yesterday.

The EC's average unadjusted jobless rate was 11 per cent in August, when more than 12.3 million people were out of work. The U.S. unemployment rate was 7.4 per cent last month, down from 7.5 per cent in August.

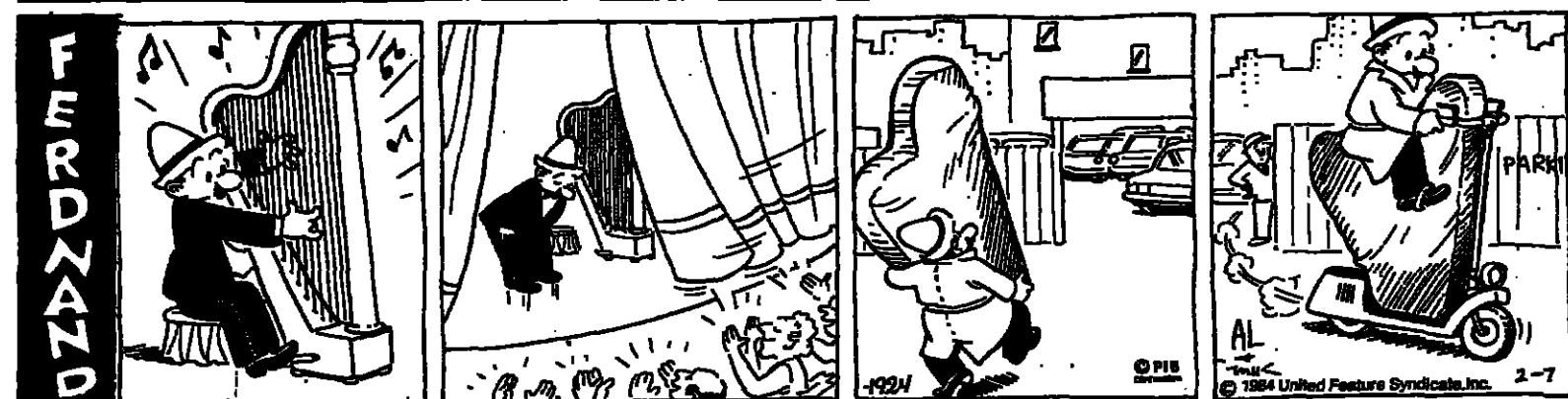
Eurostat said the total number of jobless rose significantly last month though unemployment fell in West Germany (by 2.6 per cent), Belgium (0.8 per cent), the Netherlands (2.2

per cent) and Ireland (down 1.3 per cent).

"It reported significant rises in France (up 7.8 per cent), Italy (2.2 per cent), Denmark (3.4 per cent), Britain (5.4 per cent) and Luxembourg (5.1 per cent).

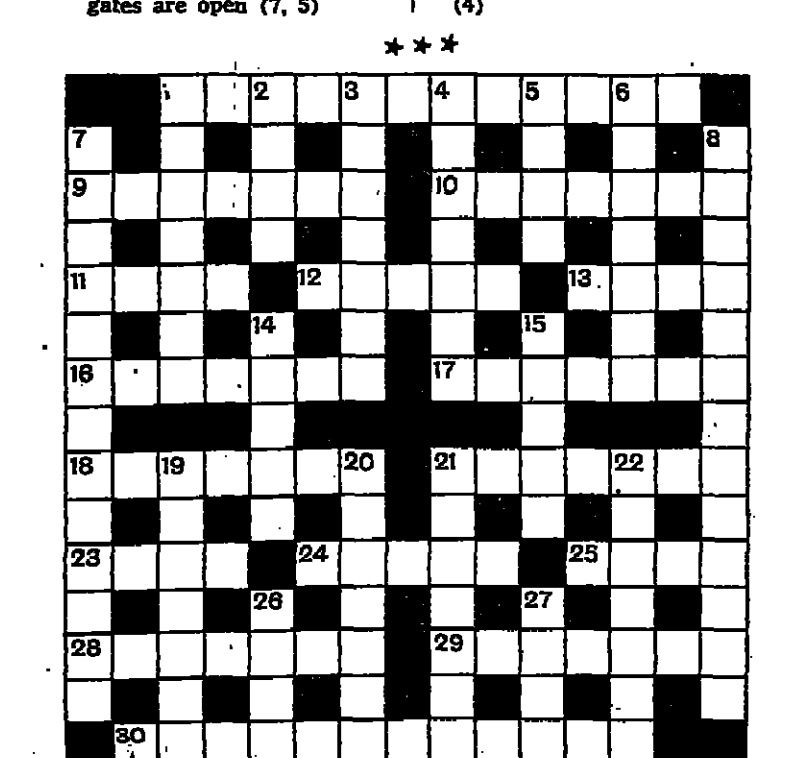
In the past year "the overall unemployment rate in the Community ... rose from 10.7 to 11.3 per cent. The rise was from 10 per cent to 10.4 per cent from men, and from 11.8 per cent to 12.6 per cent for women," Eurostat said.

It excluded Greece because the Greek labour market is not comparable with that in the other EC nations.



ONE-AND-ONE CROSSWORD

- | | |
|--|---|
| <p>ACROSS</p> <p>1 Cheers all the little chicks covered by soft feathers (4, 5)</p> <p>9 Despicable revelation or inside information (3-4)</p> <p>10 Feller is not so dull (7)</p> <p>11 Carry on the fight for pay (4)</p> <p>12 500 keen to name either of the Alliance leaders (5)</p> <p>13 Point awarded to one card game or another (4)</p> <p>16 Run true to form but rear (7)</p> <p>17 Incoherent orders dumpings (7)</p> <p>18 Put the phone down when no longer engaged (4, 3)</p> <p>21 Hellhound on the hearth (7)</p> <p>23 Head chef's specialty? (4)</p> <p>24 Male representative (3)</p> <p>26 Broke a piece of sculpture (4)</p> <p>28 Reclassify a genuine auction item (7)</p> <p>29 A larger deposit of red mineral (7)</p> <p>30 Long waves when the flood-gates are open (7, 5)</p> | <p>DOWN</p> <p>1 The widow who urges one to take a gamble (7)</p> <p>2 Bark used for weaving (4)</p> <p>3 Is it entered by a shipping agent on order? (7)</p> <p>4 Reproducing part of a sketch in graphics (7)</p> <p>5 Top prize given the vote (4)</p> <p>6 In elegant surround (4)</p> <p>7 Reagan is set to stay put (7)</p> <p>7 Eulogistic account of a bursting star-shell (7, 6)</p> <p>8 Tale of the Bare-handed Stranger? (8, 5)</p> <p>14 Affected don (3, 2)</p> <p>15 French town recommended by all travel agents (5)</p> <p>19 Game with two essential elements of tennis (3-4)</p> <p>20 Don't surrender if the bout has not been cancelled (5, 2)</p> <p>21 A grave ceremony (7)</p> <p>22 Barnaby's after a penny, and works slavishly for it (7)</p> <p>26 About to act like a vicious cat (4)</p> <p>27 Cosmetic from a metal can (4)</p> |
|--|---|



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<p>DUTY HOSPITALS</p> <p>Jerusalem: Hadassah E.K. (pediatrics, ophthalmology, E.N.T.), Bikur Holim (internal, gynecology), Shura Zedek (surgery, orthopedics).</p> <p>Tel Aviv: Rokaah (pediatrics), Ichilov (internal, surgery).</p> <p>Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).</p>	<p>FLIGHTS</p> <p>24-HOURS FLIGHT INFORMATION SERVICE Call 03-972484 (multi-line)</p> <p>ARRIVALS ONLY (TAPED MESSAGE) 03-381111 (20 lines)</p>

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CODEX MAIMONI: THE MISHNEH TORAH OF THE RAMBAM

The selections from the Code of Maimonides produced in this book are from the beautiful Kaufmann Codex and convey a clear idea of the style, scope and structure of the Mishneh Torah, enabling the reader to combine meticulous study with artistic pleasure.

This exquisite volume contains the magisterial Code that was completed by Maimonides in Egypt in 1180, copied by a French scribe in 1295, further embellished by a German scribe in Cologne with citations from select post-Maimonidean authorities. The manuscript was bequeathed to the Hungarian Academy of Sciences by Austrian scholar David Kaufmann and today, with this edition, has been made available to English-language readers.

CODEX MAIMONI presents 68 of the most beautiful pages from the illuminated codex of the Kaufmann Mishneh Torah, with an introductory essay by Prof. Alexander Scheiber and contributions by Prof. I. Twersky, Prof. J. Blau and Prof. S. Pines. Art historian Gabrielle Sed-Rajna describes the codex in context of art history and provides detailed explanations of the illustrations.

Published by Corvina/Hellman/Strassburger. Leaf 173 mm x 324 mm (approx. 18 1/2" x 12 7/8"). 178 pages.

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Money Matters

Devaluation stories spur banks

**Tel Aviv
Stock Exchange**
By PINHAS LANDAU

The stock market picked up yesterday, with both prices and volume rising in shares and bonds. The star performers of the day were the group of bank shares co-ordinated by the "arrangement." It was a dollar-linkage feature of this up which, once again accounted for its popularity, as the rash of devaluations in yesterday's morning paper on the possibility of another dollar devaluation (10 to 20 per cent) sent investors into a buying frenzy for the currency.

The result of the larger than usual volume was to push the prices of bank issues up by as much as 8 per cent, with the index for the group of bank shares co-ordinated by the "arrangement" up by 10 to 20 per cent.

The rest of the share market was generally positive, with advances well ahead of declines, and sharply rising issues double the number of sharply falling ones. Investors' companies were good performers, with this sector's index up by almost 3 per cent, but mortgage banks, insurance companies and oil companies were all marginally lower, in nominal terms.

The bond market continued to move ahead steadily, with the general index up almost 1.5 per cent. Dollar-linked regular bonds were not in the same demand as their bank-share cousins, but overall volume in the bond market was close to ISL 2 billion.

With reference to yesterday's analysis of the level of bond prices in the market, their performance so far this year, and the actual level of inflation, it is only correct to point out a further fact which may help to explain the discrepancy between the actual and the theoretical prices of index-linked bonds.

The bond index, we have noted, is currently at 385, while inflation is at 60 or more, on a basis of December 31, 1983=100. However, the de-

valuation of bonds by the government is made on the basis of the last known index. This means that any bond redeemed between the 16th of one month and the 16th of the following month, receives linkage differentials on the basis of that last published index. However, that index is a report on the average price level of the previous month. Thus the bond-holder is receiving his money in terms of shekels of between 30 and 60 days earlier.

For example, a bond redeemed on November 14 will receive the index of September published on October 15, as the basis for calculating its value. Given indices of 30 per cent for October and 20 per cent for November, it is clear that the bondholder has effectively lost half the value of his money.

Obviously, this only applies to bonds being redeemed in the near future. Those for longer dates may receive protection from the government in due course, or maybe the rate of inflation will decline in the future. However, the market seems to be discounting the value of all index-linked bonds, to take account of the present legal situation regarding the redemption value of bonds.

Interestingly enough, the index of bonds linked to or traded in foreign currency, at 420, is the least depressed of any of the sub-indices of the individual bond sectors. This seems to support the idea that index-linked bonds are less desirable investment vehicles, for the reason outlined above.

Announcements: Ata notified the exchange that it applied to the Haifa District Court for an arrangement with its creditors, a step likely to lead to the appointment of a receiver for the

MARKET STATISTICS

Indices
General Share Index 469.60 +4.47%
Non-bank Index 301.78 +1.64%
Arrangement shares 587.21 +5.51%
Industrial 350.69 +1.63%
Bond Index 385.85 1.42%

Turnovers
Shares IS 883.3m.
Bonds IS1174.9m.
Totals IS2058.2m.
Advances 204
Declines 133
of which 5% + 70
of which 5% - 34
"Buyers only" 15
"Sellers only" 5

Bond market trends
4% fully-linked: Rises to 4%
3% fully-linked: Rises to 3-3.5%
80% linked: Rises of 1-3.5%
90% linked: Rises of 1-3.5%
Double-option: Rises to 3.5%
Dollar-linked: Rises to 3%

Most Active Shares
Hapolum 12700 IS174.5m. +700
Leumi 8110 IS139.2m. +590
IDB 18450 IS90.4m. +200

Sharpest Moves
Kadumai 112 -31 -21.7%
Mar Lazi 1311 +171 +15.9%
Intergam 55 -12 -17.9%

company. The court ordered a meeting of creditors on Nov. 8 (page 2).
Alaska Sportlife, the subsidiary of Ata's subsidiary, Teta, confirmed to the exchange that the facts reported in one afternoon paper yesterday to the effect that the company is in severe financial and operational troubles. Alaska promised a fuller report following the company's board meeting, to be held yesterday afternoon. The exchange decided to suspend trading in the shares of both Teta and Alaska, pending receipt and publication of this report.

In a separate announcement, Alaska reported that Uri Garbano, one of the "public representatives" on the board of Alaska, resigned with effect from October 15. Asher Levi, the chairman of Ata, resigned as chairman of Alaska with effect from October 16. The reason given was that his membership of the board of Teta created a conflict of interest with his position in Alaska.

China may end dual exchange rate

PEKING (Reuters). - China moved towards total elimination of its dual exchange rate system last week by allowing the official rate for the renminbi to slip to a new low of under 2.70 to the U.S. dollar, diplomats said.

The official rate has fallen by a third in the past nine months from around 2.00 renminbi to \$1 at the beginning of the year. The new rate, published by the State Exchange Control Administration, was 2.70/1.

China has maintained two exchange rates, using an internal rate of 2.80 to the \$1 for Chinese firms wanting to change foreign currency, or the past three years. Foreign tourists and companies use the official rate.

The dual system has provoked allegations by U.S. companies that China is subsidizing its textile exports.

Western diplomats and bankers in Peking said they believed that the government wanted the two rates to converge so that it could then abolish the internal rate and the official one could be used for all foreign currency transactions. They said they expected the official rate to slip to 2.80 soon.

The renminbi is not freely convertible and cannot be taken out of

the country, but in theory its rate is linked to an undisclosed basket of currencies.

The exchange control administration, which is under the Bank of China, regularly adjusts the renminbi against hard currencies. The decline of the official rate has also reflected the strength of the U.S. currency on international markets, bankers say.

The Bank of China has remained silent about the reasons for the dramatic fall, which gives a major boost to foreign tourists. But as China moves to enter GATT (the General Agreement on Tariffs and Trade), Western diplomats say they believe the government wants to eliminate possible grounds for allegations of subsidizing exports.

Because the internal rate is used for all foreign exchange transactions by Chinese companies, elimination of the dual system would have little impact on foreign trade, diplomatic economic specialists say.

But it would remove what Western diplomats regarded as an additional tax on foreigners, who early this year were losing a theoretical 80 renminbi for every \$100 they changed, because they were charged at the official rate instead of the internal rate.

Jordan gets \$359m. from Saudi Arabia

AMMAN (AP). - Saudi Arabia has sent \$359 million in aid to Jordan to help it pay for Arab nations' (sic) to Israel, a budget official said yesterday.

Ali Gharaibeh, general director of Jordan's budget department, said at Saudi Arabia was the only country to have made its full 1984 payment to Jordan as promised by oil-producing nations during a summit conference in Baghdad in 1978.

Jordan was to receive \$1.2 billion annually for 10 years. But some nations, such as Libya, never have met their commitments, and others have reduced their assistance in recent years. Last year, when Saudi Arabia and Kuwait met their obligations, Jordan received over \$550m. That was down from \$600m. in 1982.

In September, Kuwait made what

was described as an "installment" payment of about \$42m. to Jordan, according to a report in *The Jordan Times* newspaper.

Gharaibeh said that because of declining oil revenues, Kuwait would reduce its aid to Jordan this year, but he gave no figures.

The payments have been important to Jordan, which has not discovered oil in any great quantity and imports heavily to satisfy its consumer needs.

LONDON BANK RATES

October 18, 1984 close
Bank base rate 10% 10%
Call money 10% 10%
91 day treasury 10% 10%
3-months Interbank 10% 10%
Lloyds Bank International, London

World's most northerly oil field

OSLO (Reuters). - Norway's state-owned oil company Statoil said yesterday it had made the world's most northerly oil discovery, finding traces deep in the Arctic Circle on the edge of the Barents Sea.

A Statoil spokesman said the find was made just north of the giant Prudhoe Bay oil field in Alaska, 130km from the northernmost tip of Norway.

Statoil said it had also discovered large quantities of natural gas in the field, unofficially called "Snow White," that could hold as much as 400 billion cubic metres, almost double the size of Norway's biggest gas field.

Sudanese pound devalued at banks

KHARTOUM (AP). - The Sudanese pound has been devalued by about 17 per cent against the U.S. dollar in the exchange offices of commercial banks, the official Sudan News Agency said yesterday.

The price of the dollar at exchange offices attached to banks will be raised from 1.8 to 2.1 Sudanese pounds.

The devaluation is expected to encourage exporters and Sudanese nationals working abroad to repatriate their foreign earnings through the banking system, rather than the black market or private dealers.

The official price of the dollar, which is 1.3 Sudanese pounds, will remain unchanged.

Bank of Israel exchange rates

October 22, 1984 IS
U.S. dollar 471.87
British sterling 563.25
German mark 153.45
French franc 50.015
Dutch guilder 136.07
Swiss franc 186.55
Swedish krona 54.120
Norwegian krona 52.927
Danish krone 42.492
Finnish mark 73.678
Canadian dollar 357.06
Australian dollar 264.93
South African rand 75.903
Belgian franc (10) 218.41
Austrian schilling (10) 247.79
Japanese yen (100) 190.81
Irish pound 476.12
Spanish peseta (100) 272.31
Jordanian dinar 1160.8
Lebanese lira 55.840
Egyptian pound 382.21

FOREIGN CURRENCY

22.10.84
INTERBANK SPOT RATES:
USS 1.1934/1.1939 per \$
DM 3.0740/3.0755 per \$
Dutch Gld 3.4752/3.4760 per \$
Swiss FR 2.3310/2.3320 per \$
Belgian Con 62.22/62.24 per \$
French FR 9.4470/9.4500 per \$
Italian Lire 1994.50/1995.00 per \$
Yen 247.30/247.45 per \$
USS 0.9902/0.9907 per SDR

GOLD: \$338.00

FORWARD RATES:
1 month 1.1920/2.5180/5 1.0612/2
3 months 1.1925/2.5185/5 1.0595/5
6 months 1.1927/2.5187/5 1.0590/5

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Mizrahi 0.5 639 148 n.c. +7.1
General non-arr. 4302 22 +1
N. American 1 2109 67 -
N. American 5 1553 12 -
N. Amer. op 2562 20 -
Danor 379 154 -1 -3.3
Danor 5 78 983 +1 +1.3
Danor 2 230 55 +19 +9.0
First Int'l 0.5 542 1105 +29 +5.7
FBI 0.5 419 1004 n.c. +5.7

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IDB 5 18800 2 -49 -3
IDB 10 13000 251 +7000 +6.2
IDB 15 13700 116 -41 -3
IDB 20 23800 1 n.c. +7.1
IDB 25 24200 285 +1600 +7.1
IDB 30 2740 26 n.c. +5.7
IDB 35 7660 948 +410 +5.7
IDB 40 400 +4.4
IDB 45 3700 49 +120 +3.6

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Cholim 1 677 28 n.c. +7.1
Gindis 1 577 30 n.c. +7.1
Oren 1 227 60 +10 +4.6
Oren 5 71 250 +11 +3.6
Oren 10 316 50 +11 +3.6
Oren 15 259 66 +17 +7.0
Oren 20 438 -8 -9.0
Oren 25 49 40 +3 +6.5
Oren 30 222 34 -2 -7
Oren 35 149 58 -1 -7
Oren 40 159 73 +7 +4.9
Oren 45 71 -3 +4.4
Oren 50 242 11 -7 -7
Oren 55 280 4 -10 -3.6
Oren 60 575 37 -45 -7.3
Oren 65 78 35 +13 +7.1
Oren 70 1000 18 +9 +9.0
Oren 75 300 5.1 +3 +5.0
Oren 80 1132 40 +132 +13.2
Oren 85 150 70 +12 +9.1
Oren 90 212 21 +1.6
Oren 95 441 28 n.c. +7.1
Oren 100 210 34 n.c. +7.1
Oren 105 69 2 n.c. +7.1
Oren 110 1050 1 +87 +9.0
Oren 115 509 20 n.c. +7.1
Oren 120 650 2 n.c. +7.1
Oren 125 970 2 n.c. +7.1
Oren 130 242 47 n.c. +7.1
Oren 135 123 33 +10 +4.4
Oren 140 2620 30 +10 +4.4
Oren 145 1525 131 -60 -3.8
Oren 150 2207 25 -3 -1
Oren 155 500 91 -2 +2
Oren 160 1370 77 n.c. +7.1
Oren 165 535 5 -10 -1.8
Oren 170 245 75 n.c. +7.1
Oren 175 189 150 +9 +5.0
Oren 180 91 174 -5 -2.5
Oren 185 26 590 -3 -10.3
Oren 190 267 8.1 -14 -5.0
Oren 195 no trading
Oren 200 no trading

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Shilon 15 35500 -
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Shilon 50 14926 +1357 +10.0
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Shilon 60 43273 50 +40 +10.0
Shilon 65 298 3 +3 +1.0
Shilon 70 3160 65 +3 +1.0

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Ayeh 10 8717 1 n.c. +7.1
Ayeh 15 711 17 n.c. +7.1
Ayeh 20 379 231 +28 +8.0
Ayeh 25 740 -
Ayeh 30 294 -3 -3.8
Ayeh 35 240 -
Ayeh 40 156 62 n.c. +7.1
Ayeh 45 1850 150 -50 -2.6
Ayeh 50 2000 13 n.c. +7.1
Ayeh 55 640 5 +4 -6.4
Ayeh 60 2100 21 n.c. +7.1
Ayeh 65 1619 19 +39 +2.5
Ayeh 70 2220 -
Ayeh 75 396 1 n.c. +7.1
Ayeh 80 156 100 -5 -3.1
Ayeh 85 1009 -
Ayeh 90 41624 n.c. +7.1
Ayeh 95 641 n.c. +7.1
Ayeh 100 740 147 n.c. +7.1
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Ayeh 110 244 200 +22 +9.0

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Trade 5 190 65 n.c. +7.1
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Trade 15 700 43 +30 +4.5
Trade 20 443 -
Trade 25 no trading
Trade 30 no trading
Trade 35 380 157 n.c. +7.1
Trade 40 225 31 +240 +5.0
Trade 45 1102 109 +52 +5.0
Trade 50 2450 20 +100 +4.3
Trade 55 1000 225 +10 +1.0

Services

Debit 1 2630 75 -25 -9.0
Debit 5 2500 7 +50 +2.0
Debit 10 1230 -
Debit 15 1460 47 +41 +2.9
Debit 20 711 34 +11 +1.6
Debit 25 18450 1 -
Debit 30 8858 1 -468 -5.0
Debit 35 no trading
Debit 40 910 30 +16 +1.8
Debit 45 595 34 +15 +1.7
Debit 50 402 74 +15 +3.9
Debit 55 275 35 +20 +7.8
Debit 60 132 159 +12 +10.0
Debit 65 115 -12 +11.7
Debit 70 578 -53 +10.1
Debit 75 265 -

Hotels, Tourism

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Galei Zohar 80 no trading
Galei Zohar 85 no trading
Galei Zohar 90 no trading
Galei Zohar 95 no trading
Galei Zohar 100 no trading

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IDB 20 23800 1 n.c. +7.1
IDB 25 24200 285 +1600 +7.1
IDB 30 2740 26 n.c. +5.7
IDB 35 7660 948 +410 +5.7
IDB 40 400 +4.4
IDB 45 3700 49 +120 +3.6

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Gindis 1 577 30 n.c. +7.1
Oren 1 227 60 +10 +4.6
Oren 5 71 250 +11 +3.6
Oren 10 316 50 +11 +3.6
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Ayeh 75 396 1 n.c. +7.1
Ayeh 80 156 100 -5 -3.1
Ayeh 85 1009 -
Ayeh 90 41624 n.c. +7.1
Ayeh 95 641 n.c. +7.1
Ayeh 100 740 147 n.c. +7.1
Ayeh 105 641 100 +65 +10.0
Ayeh 110 244 200 +22 +9.0

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Galei Zohar 60 no trading
Galei Zohar 65 no trading
Galei Zohar 70 no trading
Galei Zohar 75 no trading
Galei Zohar 80 no trading

THE JERUSALEM POST

Ari Rath
Editor and
Managing Director

Erwin Frankel
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Still expecting

THE SPEECH that Prime Minister Shimon Peres delivered at yesterday's opening of the Knesset's winter session fell short of being the speech to the nation it was expected to be. It was a progress report - with little progress contained in it.

Mr. Peres re-stated the well-known problems in well-known terms. He correctly pointed out that the means by which one problem might be solved frustrate the solution of another problem, and that the policies directed at the one contradict those needed for the other. Thus, our economic malaise might be eased by reducing our defence capability (assuming that expenditure equals capability), that the renewal of growth would accelerate inflation, that arresting inflation might lead to mass unemployment and stagnation.

The labour of working out a comprehensive programme in which all the various goals, and the means to achieve them, would be reconciled, has been placed in the hands of expert committees. Once their work is done, the government will presumably have that comprehensive programme which, we were told by Finance Minister Yitzhak Moda'i, had been ready in the Treasury for adoption by the new government.

The question arises whether Mr. Peres, with all his vision of a bright future in which Israel will once again enter the path of economic growth, in which we will take our rightful place in the technology of the 21st century, realizes fully that the choice of goals and means is not a matter to be handled by committees of technical experts. It is a question of national priorities.

Mr. Peres came back from Washington with impressive achievements. But if the U.S. has given assurances that it will not let Israel collapse under the weight of its economic crisis, that is no justification for attempting to tread, once again, the familiar road of compromise between irreconcilable goals, to be achieved by half measures that will leave each goal less than half fulfilled.

The country's immediate problem is that of arresting inflation. Everything else must be subordinated to that. The promises to back us up that Mr. Peres brought back from Washington may make the task easier, but they do not allow it to be postponed.

The prime minister's appeals to economic patriotism are not likely to be of much help. If a response by individuals is to be evoked, in working harder, saving more, restraining consumption, buying "blue-white," paying taxes honestly - as Mr. Peres asked for - the public will have to feel that the government has clear purpose and direction. As long as the government continues to look for compromise solutions intended to keep everybody satisfied rather than to solve basic problems, the public will remain passive, confused and uncertain.

The prime minister has promised decisions within a matter of days - firm decisions. It is to be hoped that the decisions will indeed be taken and implemented, for time is running out.

Inflation — puzzle or conspiracy?

By MEIR MERHAV

THE IMMEDIATE adoption of some form of dollarization, whose advocates I joined in the previous article in this series, is obviously no cure for inflation. By itself, it would be no more than a piece of monetary quackery. Inflation (at least ours, in the last decade) has its cause in a chronic gap between what we want and what we have.

To close that gap, we must sacrifice some of what we want now - all the more so if we want to invest and restore growth so that we may later make up again for the present sacrifice. But what do we mean when we say "we" must sacrifice? All of us, equally or equitably (which are not the same thing)? How is the sacrifice to be shared out among those who, together, make up the "we"? What shall be the instrument of distribution if the money we used has ceased to fulfil that function?

The restoration of that instrument, however briefly, is the function of dollarization, "Patamization," linkage of all prices to the exchange rate, or whatever one may choose to call it. It is a means to synchronize in an orderly and universally acceptable manner the movement of prices, wages and the exchange rate which, with the transition from stable inflation to hyperinflation, has become a chaotic, self-defeating and destructive race after synchronization.

It has become imperative because all the indexation mechanisms that have hitherto made it possible to stabilize inflation and make it acceptable to all and profitable for many, have broken down.

IF A SACRIFICE of present wants is needed as a cure for inflation, it must be made calculable. If its apportionment among different sectors, strata, classes - call it what you will - is to be made negotiable, it must be made finite. For that we need a unit of account which will, at least for a few weeks or months, be accepted as stable.

The adoption of the dollar as a unit of account is no more than a matter of convenience. Custom has already established it widely, and that may give it a little more credibility than, for example, dropping two zeros from the shekel.

It is not suggested that it be similar to the dollarization that former finance minister Yoram Aridor had in mind, with the switch to the U.S. dollar as sole or parallel legal tender. That would have put economic policy in a straitjacket and would have caused mass unemployment. And even that would not have put the economy on a basis of international or American prices. Israeli prices and wages would remain Israeli, translated into dollar terms - the unit of account would be an "Isradollar."

If the inflationary rate is not to continue from that new nominal starting point, the semi-dollarization discussed here (and in government) cannot be the first stage in some leisurely stabilization process, to be carried out in gradual steps. It must be synchronous with a comprehensive recovery programme.

It is, in the last analysis, no more than an open admission that the former practices of alleviating balance-of-payments difficulties by pushing inflation up to a higher level no longer work. They no longer work because the difficulties have become an acute crisis and because inflation has been pushed up to the

runaway stage, where it can no longer be stabilized.

IF IT IS accepted that in the present circumstances no package deal, whether negotiated or imposed by government fiat, will hold, that no monetary card trick will buy us time or real resources, that the size of the total sacrifice and its distribution must be brought out into the open - what shape must the comprehensive recovery programme take?

Here is where we run into difficulties, because we must be clear and agreed about the nature of the inflationary process and about its root causes. These two are not the same thing. Even if the basic causes were agreed - agreed in more than terms so general as to be meaningless, such as the hackneyed dictum that "we live beyond our means" - they would not have to manifest themselves in one process.

And even if there was unanimity about the process, the weight of the different basic causes, and hence the remedies, would still remain controversial. In both aspects - of causes and process - judgement and evaluation go far beyond economics into social philosophy and political priorities. Economists trained in the "value-free" tradition shun such judgements like poison, only to hide them in their implicit assumptions.

The most recent analysis of the inflationary process that has plagued the country in the last decade is that of Prof. Nissan Liviatan, of the Hebrew University, and Sylvia Piterman, of the Bank of Israel. Its opening sentence is: "The inflationary process in Israel over the past decade has been a puzzle to economists."

THAT STATEMENT, subscribed to by one of our most senior economists, raises some serious questions about what economic science can contribute to explaining the most salient phenomenon of the country's economic performance in these past 10 years, particularly since one cannot accuse the economists of having sat back and of not having made an effort to solve the puzzle.

They have, with reams of studies on the subject; they have also, with intermittent profuseness, proffered advice, *ex cathedra* and *in camera*.

IT WOULD BE unfair to ask what one is to make of cures suggested for a malady that has remained an enigma. Unfair, because the proposed cures may bypass the mechanics of the inflationary process and go directly to its ultimate causes. The rub with that, however, is that the drastic medicines that are often prescribed are simply not in the pharmacopoeia of the politicians, who consider them to be too toxic or as having too many side-effects.

Politicians have little use for "ultimate causes": they live in and by the short run. Their concern is with the present stage of the process. And when the economists concentrate on that, in which each stage may have different immediate causes, they may lose sight of the ultimate causes or may be unable to predict the course of the present stage of the sickness. Perhaps that is why, even in the present crisis, we have a "comprehensive" Treasury programme, an equally comprehensive Bank of Israel programme, a Planning Ministry programme, a new Emmanuel Sharon Treasury programme, a Sanbar-Gafny programme, a Histadrut programme - and no com-

prehensive programme. If the inflationary process has remained a puzzle to economists, how much clear-sightedness can one expect from the politicians?

Perhaps the Liviatan-Piterman study has solved the puzzle that has until now eluded everybody. There is no doubt that they have come up with some eye-openers. The traditional view of inflation, they say, is that it is mainly caused by an increase in the government's deficit.

While this may explain part of the inflationary surge of 1974, it does not explain the acceleration of inflation in the second half of the past decade. On the contrary, the evidence they present indicates that accelerated inflation in recent years has been associated with a reduction of the budget deficit in real terms, no matter how it is defined: as domestic deficit, as total deficit, deducting foreign aid, after deducting direct public investment, with or without the credit subsidy deriving from the inflationary erosion of unlinked government loans.

Comparing the non-inflationary decade of 1963-72 with the two time periods of 1973-77 and 1978-83, the study finds that in the first half of the past decade, the deficit rose considerably while inflation jumped from an average of 7.4 per cent in 1963-72 to an average of 32.8 per cent a year in 1973-77. But in the following five years, the deficit, as a percentage of the gross national product, declined while inflation jumped to an average annual level of 107.5 per cent. What is more: in 1984, the deficit may be no more than in the non-inflationary decade of 1963-72, while inflation was already running at 400 per cent in July, when the study was concluded.

The Liviatan-Piterman study also shows that, except for 1974-76, when the deficit first rose as a result of higher defence spending, there was no relationship between cyclical increases in the deficit and jumps in inflation. Nor do they see the size of government debt, accumulated through continuous deficits, as exerting inflationary pressures on top of those of the deficit itself, although the liquidity of a large part of the internal debt may accommodate price increases.

MANY WILL also be surprised to discover that the government never gained any real revenue from printing money to finance its deficit. The inflationary tax from printing money never amounted to more than 2-3 per cent of the gross national product, and when account is taken of the credit subsidy that rises with inflation, the government has even lost revenue by printing money. With the progressive shift to indexed money, the price level became indexed, in principle, and cost pushes became translated easily into higher inflation, and higher inflation can go together with a reduction in the government's deficit. I hasten to warn against drawing the conclusion that if there is no relationship between the deficit and inflation, the government might as well increase its spending.

If it is not the deficit, not the money-printing to finance it, and not the size of the debt - what, then, has caused, first, a jump to a 40 per cent annual inflation in 1974-78, then to

Dry Bones



130 per cent in 1979-83 and, since mid-1983, to 400 per cent, from where it may, as the study predicts, reach "a stage in which no new steps can be tolerated."

All three inflationary jumps, say Liviatan and Piterman, occurred in conjunction with balance of payments crises. Each time, a peak in the current account deficit of the private sector led to higher inflation. Each time, the government raised the prices it controls, and, in two out of the three cases, devalued the currency sharply, springing a surprise upon the public and thus obtaining a temporary real devaluation that eased the balance of payments crisis. The time lags in the indexation mechanism, particularly that of wages, bought the government time. Indexation, in turn, combined with monetary accommodation, translated the initial one-time price shock into a higher level of inflation, which was then kept stable by the government and the public's expectation that it will remain so - until the next crisis.

EACH CRISIS, the authors say, had a different cause. But if that is so, how can one predict the next? That, it would seem, is not necessary, because the remedy is always the same - cutting government spending so as to bring the balance of payments back to some "normal" state. In the present economic regime, Liviatan and Piterman say, inflation (which accelerates via policies aimed at overcoming a balance of payments crisis) can only be restrained from accelerating. Only when the balance of payments is back to "normal" is the stage set for a drastic disinflationary policy - one that will, after a transitional wage-price freeze, not shrink from unemployment.

One must not carp at finding no word in this study about the economy's basic structural problems and the changes in it in the past decade, for the study deals with the inflationary process, its mechanism. All the same, questions abound. How did we come to have a balance of payments position in which we constantly teeter on the verge of a crisis? Why did the monetary expansion of 1974 not cause a burst of growth in domestic output instead of being translated into a balance of payments crisis - and that when the capital stock of the business sector was still growing at nearly 6 per cent a year and the economy had underutilized capacity?

Why did investment shrink? Why did the gross national product, which in 1968-72 grew by nearly 12 per cent a year in real terms, come to stagnate, growing by no more than 4.4 per cent even in the mini-boom year of 1979? How was it possible for private consumption to grow in 1973-82 by 74 per cent (37 per cent per capita), while the gross national product increased by only 37 per cent (8 per cent per capita)? How did it come about that, while output and the capital stock, employment in the business sector (excluding finance) and productivity nearly stagnated, the financial assets held by the public grew by 240 per cent per capita in real terms?

Has inflation got anything to do with that - is it, perhaps, the outward form of basic structural imbalances and deformations, of a universal conspiracy to evade the correction of these imbalances by hiding them under an inflationary process that seemed to be "something we can live with"? Is the present crisis, in which inflation's steady flame has heated the economy to the explosion point, perhaps an indication that time has run out for "counter-cyclical" corrections of deviations from what seemed to be an equilibrium?

The Liviatan-Piterman study does not address itself to these problems: it deals with the mechanics of the inflationary process as it was until recently and with the measures needed to keep it from running wild. These measures should be applied in stages; a complete disinflation scheme, they say, must be drastic, abrupt, and requires a change in the economic regime. They postpone the discussion of such a scheme for later.

Events may have overtaken this approach. The basic problems have thrust themselves upon us; the measures needed for coping with the immediate two-fold crisis of balance of payments and of hyperinflation have telescoped, and basic structural changes must be carried out.

The structural deformations of the economy in the last decade are the subjects of another study, by Yosef Yoran of the Bank of Israel, which has just appeared in the October issue of the *Economic Quarterly* (in Hebrew). We shall discuss it in the next article.

The writer is the economic editor of The Jerusalem Post. This is the second of four articles.

POSTSCRIPTS

PS GYPSIES recently took over a busy four-lane highway in southern England and staged a well-organized chariot race, disregarding dozens of angry motorists who were held up by the event.

"I was absolutely amazed. I'd never heard of such a thing before," said Superintendent Eric Malam of the High Wycombe police, 50 kilometres West of London.

Gypsies from all over southern England lined the highway and exchanged bets while two cars driven by clan members drove side-by-side down the highway, holding up traffic to give the pony-and-trap racers an empty mile of road, Malam said.

Police cars made their way through the stalled traffic expecting to find an accident. They caught up with the contestants after they U-turned, and stopped the race as the pony-traps headed back up the highway to the finish line.

With all bets off, disgruntled spectators began fighting the police. A policeman was injured and two police cars were slightly damaged, Malam said.

PS WHY DID the smiling blond boy in the recent furniture advertisement have scraggly sideburns and a skullcap painted onto his picture? Because the advertisers, which specializes in furniture for children, thought that would be the only way to sell to readers of the Orthodox weekly *Erev Shabbat*. The editors of the paper thought the addition was silly - since the untouched advertisement regularly appears in daily newspapers, and because the *payot* were so crudely added to the photo. A number of readers noticed and laughed at the child's instant "conversion" to Orthodoxy. J.S.I.

PS THE PILOT of an El Al plane flying to Athens in September greeted his passengers in Hebrew and expressed the hope that they would enjoy the services of the "steward and cute stewardesses." Apparently realizing that something was amiss in what he had said, he "corrected" his error in his English greeting, in which he said that he hoped the passengers would be well served by the "efficient steward and lovely stewardesses." E.H.

READERS' LETTERS

INTOLERABLE STATEMENT

To the Editor of The Jerusalem Post: Sir, - Only now did I hear of an episode which took place over a year ago in a government religious school in Jerusalem. But, in the light of recent growing tensions between the ultra-religious camp and the rest of the nation (traditional, religious and secular alike), it seems to me highly relevant.

This scene occurred in May 1983 in the Meiri primary school (Katsamon Het). It is customary (and appropriate) that, in such a setting, the entire school staff gathers once a week to hear a talk from the rabbi. The latter chose on that day to speak of the place of religious courts in the State of Israel. I quote here the gist of his remarks: "As religious Jews living in Israel, we should support a state entirely based on Halacha and act accordingly. For us, therefore, only the religious courts have any authority, not only in religious matters, but in all civil questions. In point of fact the secular courts have no right to exist at all." At this juncture one of the veteran and most respected teachers in the religious school system stood up: "Sir, in all due respect to your rabbinic status, I feel obliged to point out that such a statement in a government school is intolerable. How can a religious man, living in Israel and claiming to be a member of Israeli society, deny the Israeli courts the right to exist.

and thereby violate publicly, in the name of Halacha, the very foundations of the State, and this within the precincts of a government school?"

Though the protest was greeted with a stunned silence, the consequences promptly followed. The school principal squarely accused the teacher of acting in a way contrary to proper religious behaviour and deemed her unworthy of fulfilling the educator's functions she had worthily and loyally assumed for many years; she was to be reduced to the simplest task of teaching spelling and arithmetic. The result: the religious school system lost one of its finest and most devoted teachers, who now occupies an honoured place in one of the best comprehensive secular schools in Jerusalem.

But above and beyond the immediate local impact of such an incident, it carries, in my opinion, a profoundly alarming lesson. Can we tolerate that people invested with religious authority - primarily the rabbis - publicly defy the dignity and validity of the Israeli judicial system? Is Halacha to be utilized as a weapon to undermine the very foundations of the state which, for its part, is devoted, through its institutions, to the protection of the rights and freedom of all its citizens?

D.R. GOITEIN-GALPERIN
Senior Lecturer Tel Aviv University
Paris (Jerusalem).

THE SOCIALIST INTERNATIONAL

To the Editor of The Jerusalem Post: Sir, - I refer to your article of October 1 on the Labour Party delegation to the Rio de Janeiro Socialist International Bureau meeting. You state that the Bureau meeting had before it a Kuwaiti proposal to expel Israel from international forums and defining Zionism as a racist movement.

The feudal barony of Kuwait neither has nor ever had any representation at the Socialist International, nor are any such and-Israeli resolutions presented in the SI, which is the only international political organization of any significance which maintains a friendly attitude towards Israel. RICHARD BELL
Deputy Director,
International Department,
Israel Labour Party

EUTHANASIA

To the Editor of The Jerusalem Post: Sir, - In the letter "Living death's pain" (The New York Times Weekly Review of October 7) included in The Jerusalem Post of October 8, Caryll Eller tells of the continuing pain and anguish of a "living death" lasting nearly two years and the cost, both emotionally and financially, connected with it - the imputation being that the physicians should have performed euthanasia, that is, permitted the patient to die or even actively induced a painless death as soon as the hopelessness of her case became evident.

The problem is, of course, not limited to the U.S.; it exists here in Israel, too. In my neighbourhood, a nonagenarian had to linger in hospital for nine months in a hopeless state before her death, and there are

many similar cases.

Euthanasia (mercy killing) is, of course, not a matter of financial considerations, but a matter of mercy, which is regarded as its justification. Yet here in Israel, it would be of particular importance with regard to its financial aspects, at a time when we have to apply financial cuts in every sphere (education, police, hospitals, army etc.). These cuts may, in turn endanger lives, so that in the end, by preserving hopeless lives, we may only sacrifice other, economically more valuable, lives - lives which might be saved by a fraction of the money spent on hopeless cases.

This may sound extremely heartless, but we have to face the facts.

JAN WEINFELD
Ness Ziona

AUSTRIAN GUILT

To the Editor of The Jerusalem Post: Sir, - This constant reader of The Post was not surprised by your article reporting that, according to a survey, one in four Austrians is "firmly anti-Semitic". Whatever may be said about the Germans, their government at least admitted their guilt and is trying to make restitution - though this is, of course, an impossible undertaking.

On the other hand, the Austrians who welcomed the Nazis to their bosoms in 1938, after having had front-line seats for five years to observe the atrocities taking place next door in Germany, and who were at least as inhuman to the Jews and others as the Nazis, never accepted any guilt for their behaviour. Some money was paid to refugees, but it was in no way comparable to what West Germany has done. And they continue to live and educate their children in the myth

that Austria was the first country taken over by the Nazis, though Austrian resistance to the Nazi Anschluss was so minimal that you will not find it mentioned in any history book.

This anomaly was contributed to by the Allies who collaborated with the Austrians in the fairy tale that Austria was a "victim" of Nazi aggression. This left the Austrians in the position where they did not consider themselves accountable for the grief and misery they had caused during the Nazi era. In my opinion, Austria will remain an obscenity in this world as long as the Austrians continue to hide behind the myth of innocence while everyone who has been a witness to the Nazi era knows that the Austrians were as guilty as the Nazis. No Austrian *Gemeinschaft* nor Vienna waltzes will change the fact.

WALTER A. SHELDON
Lido Beach, New York

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